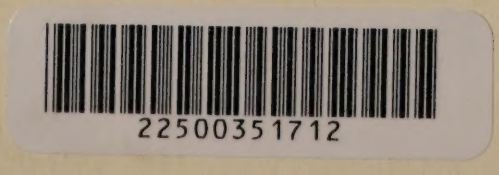

REPORT

OF THE

DEPARTMENTAL COMMITTEE

ON

SICKNESS BENEFIT CLAIMS UNDER THE NATIONAL INSURANCE ACT.

Presented to both Houses of Parliament by Command of His Majesty.

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MINUTES OF APPOINTMENT.

I hereby appoint—

SIR CLAUD SCHUSTER (Insurance Commission);

WALTER DAVIES, Esq. (National Secretary of the Order of the Sons of Temperance. Chairman, Manchester Insurance Committee);

ADAM FULTON, Esq., M.B.;

MISS M. H. FRANCES IVENS, M.B.;

MISS MARY MACARTHUR (Secretary of the Women's Trade Union League);

WILLIAM MOSSES, Esq. (Secretary of the Federation of Engineering and Shipbuilding Trades of the United Kingdom. Secretary of the United Pattern Makers' Association (Approved Society));

JAMES PEARSE, Esq., M.D., M.B. (Medical Officer of Health, Trowbridge Urban District Council);

LAURISTON ELGIE SHAW, Esq., M.D., M.B., F.R.C.P., M.R.C.S.;

A. C. THOMPSON, Esq. (President of the National Conference of Industrial Assurance Approved Societies);

A. H. WARREN, Esq., J.P. (President of the National Conference of Friendly Societies);

A. W. WATSON, Esq. (Chief Actuary, National Health Insurance Joint Committee);

J. S. WHITAKER, Esq., M.R.C.S. (Deputy Chairman, Insurance Commission);

MISS MONA WILSON (Insurance Commission);

WALTER P. WRIGHT, Esq. (Grand Master Independent Order of Oddfellows (Manchester Unity));

to be a Committee to enquire into and report upon the alleged excessive claims upon and allowances by approved societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances; and I appoint Sir Claud Schuster to be Chairman, and A. Gray, Esq., of the Insurance Commission, to be Secretary, of the Committee.

22nd August 1913. (Signed) CHARLES F. G. MASTERMAN.

I hereby appoint J. Burn, Esq. (Actuary of the Prudential Approved Societies), to be a member (during the temporary unavoidable absence of A. C. Thompson, Esq.) of the Committee appointed to enquire into and report upon the alleged excessive claims upon and allowances by approved societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances.

1st November 1913. (Signed) C. F. G. MASTERMAN.

I hereby appoint T. M. Carter, Esq., M.D., M.R.C.S., L.R.C.P., to be a member (in the room of James Pearse, Esq., M.D., M.B., resigned) of the Committee appointed to enquire into and report upon the alleged excessive claims upon and allowances by approved societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances.

4th February 1914. (Signed) CHARLES F. G. MASTERMAN.

LIST OF WITNESSES.

Name.	Description.	Days.	Volume of Appendix and Page.
Appleton, Mr. W. A.	General Secretary, General Federation of Trade Unions for National Insurance and for Friendly Society Purposes.	15 and 16	Vol. 1, p. 332.
Barber, Mr. W.	Secretary, Bradford District Trades Council Approved Society.	39	Vol. 2, p. 449.
Barker, Mr. J.	Assistant Secretary, United Society of Boiler Makers and Iron and Steel Ship Builders.	11	Vol. 1, p. 234.
Barnes, Mr. T.	Secretary, Plymouth District, Independent Order of Oddfellows, Manchester Unity, Friendly Society.	59	Vol. 3, p. 410.
Barrand, Mr. A. R.	Secretary, Prudential Approved Societies	6 and 7	Vol. 1, p. 130.
Belding, Dr. D. T.	M.R.C.S., L.R.C.P.	48	Vol. 3, p. 162.
Bell, Mr. J. N.	Secretary of the National Amalgamated Union of Labour.	57	Vol. 3, p. 375.
Bennett, Dr. W. B.	M.R.C.S., L.R.C.P.	21 and 22	Vol. 2, p. 23.
Blundell, Mr. F. N.	Chief Warden, Lancashire Federation of Rural Friendly Societies.	2	Vol. 1, p. 37.
Bond, Mr. C. J.	F.R.C.S., L.R.C.P.	24 and 25	Vol. 2, p. 97.
Bondfield, Miss M.	Nominated by the Women's Co-operative Guild	57	Vol. 3, p. 361.
Broster, Dr. A. E.	M.R.C.S., L.R.C.P.	53	Vol. 3, p. 266.
Buckle, Mr. J.	Chairman, Leeds Insurance Committee	56	Vol. 3, p. 334.
Bunch, Mr. C.	Assistant Secretary, Hampshire and General Friendly Society.	14	Vol. 1, p. 304.
Burgess, Dr. Mildred	M.B., nominated by the Association of Registered Medical Women.	26 and 28	Vol. 2, pp. 146 and 178.
Cann, Mr. T. H.	A member of the committee, Durham Miners Association.	49	Vol. 3, p. 194.
Charles, Dr. J.	M.B., C.M., M.D.	27	Vol. 2, p. 155.
Clare, Mr. Harcourt	Clerk, Lancashire Insurance Committee	51	Vol. 3, p. 231.
Clarke, Dr. J. Michell	M.D., M.R.C.S., F.R.C.P., nominated by the President of the Royal College of Physicians.	55	Vol. 3, p. 322.
Claydon, Dr. Olive	M.B., B.S., M.D., nominated by the Association of Registered Medical Women.	30 and 33	Vol. 2, pp. 220 and 291.
Clayton, Mr. L.	President, Bristol Cotton Works Health Insurance Society.	4	Vol. 1, p. 81.
Cox, Dr. Alfred	M.B., B.S., Medical Secretary, British Medical Association	41 and 42	Vol. 3, p. 1.
Crisp, Miss F.	Secretary, Court Norwich Ancient Order of Foresters	55	Vol. 3, p. 316.
Daniels, Mr. F. W.	General Secretary, Ideal Benefit Society	18 and 20	Vol. 1, pp. 396 and 426.
Davies, Mr. R. J.	Insurance Manager, Amalgamated Union of Co-operative Employees.	51	Vol. 3, p. 220.
Dawes, Mr. J. A., M.P.	Chairman, London Insurance Committee	47	Vol. 3, p. 147.
Devis, Dr. H. F.	M.R.C.S., L.R.C.P.	56	Vol. 3, p. 342.
Divine, Dr. J.	M.B., C.M., M.D., nominated by the British Medical Association, Secretary of Local Medical Committee and Panel Committee, Hull.	45 and 46	Vol. 3, p. 119.
Dixon, Mr. A. P.	Secretary, Cambridge Benefit Society	55	Vol. 3, p. 328.
Duncan, Mr. J.	Secretary, Rational Association Friendly Society	5	Vol. 1, p. 94.
Duncan, Dr. W.	M.B., C.M.	23	Vol. 2, p. 55.
Dyer, Mr. H. H.	General Secretary, Royal Oak Benefit Society	32	Vol. 2, p. 264.
Eastman, Mr. W.	A member of the London Chamber of Commerce	57	Vol. 3, p. 372.
Farman, Dr. R. J.	L.S.A., L.M.S.S.A., nominated by the British Medical Association.	46	Vol. 3, p. 136.
Flather, Mr. A.	Clerk, Bradford Insurance Committee	52	Vol. 3, p. 251.
Fletcher, Mr. G.	Secretary, Great Western Railway Staff Friendly Society.	28	Vol. 2, p. 191.
Frith, Mr. J.	Secretary, Newbold Friendly Society	11	Vol. 1, p. 248.
Gordon, Mr. A.	Secretary, Domestic Servants' Insurance Society	3 and 4	Vol. 1, p. 63.
Gray, Mrs. E.	President, York Female Friendly Society	7	Vol. 1, p. 152.
Harrison, Dr. J. A.	M.B., C.M.	54	Vol. 3, p. 281.
Hartop, Mr. J.	Secretary, Bedfordshire Federation of Friendly Societies	29	Vol. 2, p. 215.
Hodgson, Dr. Stanley	M.R.C.S., L.R.C.P., M.B., B.S., Secretary of Local Medical Committee and of Panel Committee, Salford.	35	Vol. 2, p. 335.
Hogarth, Dr. C. W.	M.R.C.S., L.R.C.P.	39	Vol. 2, p. 439.
Holder, Dr. W.	M.R.C.S., L.S.A.	31	Vol. 2, p. 255.
Hollins, Mr. A.	Acting Secretary, Health Insurance Section, National Amalgamated Society of Male and Female Pottery Workers.	12	Vol. 1, p. 258.
Hughes, Miss A.	General Superintendent, Queen Victoria's Jubilee Institute for Nurses.	56	Vol. 3, p. 355.
Huntley, Mr. T. W.	President, Order of the Sons of Temperance	33 and 34	Vol. 2, p. 305.
Hyner, Mr. W. J.	High Chief Ranger, Ancient Order of Foresters	25 and 26	Vol. 2, p. 118.
Jackson, Mr. G. T.	General Secretary, Amalgamated Society of Tramway and Vehicle Workers	52	Vol. 3, p. 237.
Jefferson, Mr. J. A.	Actuary, National Amalgamated Approved Society	9 and 10	Vol. 1, p. 199.

Name.	Description.	Days.	Volume of Appendix and Page.
JOHNSON, Mr. G. E. -	Chief Secretary, National Independent Order of Oddfellows.	35 and 36	Vol. 2, p. 354.
JONES, Mr. E. L. - -	Secretary, Manchester and Salford District Independent Order of Oddfellows, Manchester Unity Friendly Society.	58	Vol. 3, p. 389.
LAMACRAFT, Mr. A. -	Manager, National Health Section, Royal Liver Friendly Society.	13	Vol. 1, p. 277.
LAYTON, Dr. F. G. -	M.R.C.S., L.R.C P., Secretary of Local Medical Committee and of Panel Committee, Walsall.	40	Vol. 2, p. 465.
LILLEY, Mr. J. E. -	Clerk, Manchester Insurance Committee - - -	47	Vol. 3, p. 155.
LINGSTROM, Mr. G. L. -	Secretary, North London District, Independent Order of Oddfellows, Manchester Unity Friendly Society.	58	Vol. 3, p. 405.
MACARTHUR, Miss M. -	A member of the Committee - - - - - -	15 and 19	Vol. 1, pp. 316 and 405.
MANDER, Mr. F. - -	Accountant and Organiser, State Insurance Section, Sheffield Equalised Independent Druids.	29	Vol. 2, p. 196.
MARSH, Dr. C. A. -	M.R.C.S., L.R.C.P. nominated by the British Medical Association, Secretary of Local Medical Committee and of Panel Committee, Bath.	45	Vol. 3, p. 97.
MORLAND, Mr. J. C. -	Chairman, Somerset Insurance Committee - - -	49	Vol. 3, p. 184.
OLDHAM, Dr. H. F. -	M.B., B.CH., M.D., nominated by the British Medical Association.	53	Vol. 3, p. 270.
PAGET, Mr. S. C. - -	Clerk, Bristol Insurance Committee - - - -	32	Vol. 2, p. 276.
PARROTT, Mr. J. W. -	Clerk, Birmingham Insurance Committee - - -	27 and 28	Vol. 2, pp. 170 and 185.
PARSONS, Dr. J. A. -	M.B., C.M., M.D., nominated by the British Medical Association, Secretary of Local Medical Committee and of Panel Committee, Rutland.	42	Vol. 3, p. 48.
PEARCE, Miss ESTHER -	Sick Visitor, North London District, Independent Order of Oddfellows, Manchester Unity.	58	Vol. 3, p. 405.
PEARCE, Mr. J. P. -	Secretary, Order of United Sisters, Suffolk Unity - -	8	Vol. 1, p. 174.
PETERS, Mr. C. F. -	Actuary, Liverpool Victoria Approved Society - -	3	Vol. 1, p. 46.
PHILLIPS, Dr. J. E. -	M.R.C.S., L.R.C.P. - - - - - - - -	50	Vol. 3, p. 204.
PHILLIPS, Dr. MARION	General Secretary, Women's Labour League - -	55	Vol. 3, p. 310.
PIMBLE, Mr. S. - -	Secretary, Gloucester Conservative Benefit Society -	53	Vol. 3, p. 255.
POULTON, Mr. E. L. -	General Secretary, National Union of Boot and Shoe Operatives.	13	Vol. 1, p. 295.
PUXLEY, Miss Z. L. -	General Secretary, Ranyard Nurses - - - -	52	Vol. 3, p. 247.
RICHMOND, Dr. B. A. -	M.B., B.S., M.D., M.R.C.S., L.R.C.P., Secretary of Local Medical Committee and of Panel Committee, London.	54	Vol. 3, p. 294.
RIGBY, Mr. W. - -	Secretary, Catholic Friendly Societies Association -	36	Vol. 2, p. 370.
ROBERTS, Dr. H. - -	L.S.A. - - - - - - - - - - -	40	Vol. 2, p. 484.
ROGERS, Dr. B. M. H. -	M.R.C.S., L.R.C.P., M.B., B.CH. Medical Adviser, Bristol Insurance Committee.	21	Vol. 2, p. 1.
ROUTH, Dr. AMAND -	F.R.C.P., M.R.C.S., M.D., nominated by the President of the Royal College of Physicians.	50	Vol. 3, p. 213.
SANDERSON, Mr. S. -	Managing Secretary, Amalgamated Association of Card Blowing and Ring Room Operatives.	1	Vol. 1, p. 1.
SAUNDERS, Mr. E. -	Assistant Secretary, Tunbridge Wells and South Eastern Counties Equitable Friendly Society.	12	Vol. 1, p. 270.
SCARLETT, Mr. S. A. -	Vice-Chairman, Norfolk Insurance Committee - -	31	Vol. 2, p. 245.
SHAW, Mr. J. W. - -	Grand Secretary, Order of Druids Friendly Society -	9	Vol. 1, p. 182
SMITH, Dr. F. J. - -	F.R.C.S., F.R.C.P., M.D., nominated by the President of the Royal College of Physicians.	48	Vol. 3, p. 175.
SMITH, Mr. R. - -	Manager, Insurance Section of the Co-operative Wholesale Society.	16, 17, and 18.	Vol. 1, p. 352.
THOMAS, Mr. F. - -	Chief Clerk, Insurance Section of the Amalgamated Weavers' Association.	5 and 6	Vol. 1, p. 111.
TUCKFIELD, Mr. C. -	General Secretary, National Deposit Friendly Society -	1 and 2	Vol. 1, p. 22.
WEBB, Mr. SIDNEY -	Chairman of the Fabian Research Department Committee of Enquiry into Insurance.	37 and 38	Vol. 2, p. 381.
WHITELEY, Mr. W. -	Secretary, Durham Miners' Association - - -	49	Vol. 3, p. 194.
WIGGLESWORTH, Mr. W.	Secretary, Princess Alexandra Lodge National United Order of Free Gardeners.	24	Vol. 2, p. 82.
WIGHTMAN, Mr. W. J. -	Vice-President, Order of the Sons of Temperance -	33 and 34	Vol. 2, p. 305.
WILLSON, Miss E. -	Secretary, Independent National Union of Boot and Shoe Women Workers.	8	Vol. 1, p. 161.
WILSON, Miss L. - -	Sick Visitor, Tunstall Benevolent Burial Society - -	58	Vol. 3, p. 383.
WOODCOCK, Mr. C. W. -	Secretary, Midland Railway Friendly Society - -	20	Vol. 1, p. 439.
WRIGHT, Mr. I. - -	General Secretary, Sheffield Equalised Independent Druids.	29	Vol. 2, p. 196.
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REPORT

OF THE

SICKNESS BENEFIT CLAIMS COMMITTEE.

To the Right Hon. C. F. G. Masterman, Chairman of the National Health Insurance Joint Committee.

Sir,

1. The Committee appointed by your minute of the 22nd August 1913—

"To inquire into and report upon the alleged excessive claims upon and allowances by Approved Societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances,"

have the honour to report that they have sat for the purpose of receiving evidence on 59 days between the 15th of October 1913 and the 22nd of May 1914. During this period, with the exception of a recess of a week at Christmas and two weeks at Easter, the Committee have sat continuously on two days of each week, and have received the evidence of 94 witnesses. A list of these witnesses appears on pages iii and iv.

INTRODUCTORY.

CLASSIFICATION OF WITNESSES EXAMINED BY THE COMMITTEE.

2. These witnesses may be conveniently divided into four classes, namely—

(*a*) Those representing societies approved under the National Insurance Act, 1911. These witnesses, 52 in number (46 men and 6 women), represented 49 approved societies, whose membership for the purposes of the Act amounts to over 6,900,000 insured persons, 4,500,000 men and 2,400,000 women. These witnesses were so far as possible selected in such a manner as to place before the Committee evidence with regard to societies of different types; 29 were officials or members of the committees of management of what may be called the old friendly societies which were engaged in the business of insurance against sickness before the Act came into operation; 13 were officials or members of the committees of management of trade unions, some of which also provided sickness benefits for their members before 1912; 5 were acting in a similar capacity for industrial insurance companies or collecting societies, and 5 represented societies which have been formed for the purpose of the Act of 1911, or which had added the work of sickness insurance for the purpose of that Act to their previous business. An effort was made in selecting witnesses to obtain evidence from all parts of England, and to secure a representation of the views both of the centralised and decentralised societies, and of those whose operations cover a wide geographical area as well as of those which confine their business to comparatively limited areas such as a county or a town.

(*b*) Representatives of the medical profession. Of the witnesses in this group, 26 in number (2 being women), 20 were panel practitioners, *i.e.*, practitioners who had entered into arrangements with Insurance Committees under section 15 of the Act for the treatment of insured persons.

In issuing invitations to give evidence before the Committee to medical witnesses, a similar attempt was made to secure representation of the views of the profession generally. Evidence was thus obtained from medical practitioners practising in the varied economic and industrial conditions to be found in different parts of the country, some witnesses being drawn from entirely rural districts, some from areas representing a combination of agriculture and industrial pursuits, some from residential towns, some from the great industrial centres, and some from different parts of London.

In this matter the Committee desire to acknowledge the assistance which they received from the British Medical Association, the Association of Registered Medical Women, and from Sir Thomas Barlow, President of the Royal College of Physicians. These two associations and Sir Thomas Barlow kindly consented to nominate, for the purpose of giving evidence before the Committee, representative men or women whom they regarded as pre-eminently qualified to state the views of the profession from different standpoints.

(*c*) Representatives from Insurance Committees, nine in number, who again were selected in such a manner as to place before the Committee evidence with regard to typical areas presenting varying characteristics.

(*d*) Witnesses who, while not engaged in connection with any of the agencies on which the administration of the Act devolves, have made a special study of the principles of sickness insurance or of the effect of the National Insurance Act as in operation among the industrial classes, or who have had an opportunity of observing the working of the machine from a standpoint other than that of any of the chief agents engaged in administering the Act.

NATURE OF THE PROBLEM TO BE INVESTIGATED.

3. The Committee, by the terms of reference quoted above, was not required to conduct an actuarial investigation into the affairs of societies generally, or of those particular societies which were represented in evidence before them. The question to which the Committee has primarily devoted its attention has been whether the claims made upon the funds either of societies in general, or of particular societies or of societies of particular types were in excess of the claims, which under a proper system of administration should have been made upon, and allowed by, them. In order to ascertain in the case of any particular society whether the actuaries' estimate has been exceeded, it is necessary to enter into elaborate calculations in which the age and sex of each member and in the case of women, her status, whether married or single, have to appear as factors. This work will necessarily be undertaken in connexion with the valuation of each society directed by the Act, and the Commissioners may find it necessary at any time to examine the affairs of any given society with the assistance of such a calculation, with a view to ascertaining whether its expenditure is dangerously excessive in amount. These are, however, essentially actuarial questions, and it is evident that such calculations are matters for an actuary and his staff, and not for a Committee which seeks and receives the views of those engaged in the work of administering the Act, and forms opinions upon that work as they see it in operation. While, therefore, in considering the question of how far claims which have been admitted are in excess of what is proper, the original estimates made by the actuaries or the rough rule adopted by the Commission for regulating the amount to be drawn by societies from their accounts in the National Health Insurance Fund may be taken as a convenient general measure it is clear that such figures cannot be employed as the only or indeed the main criterion in the consideration of the question to which we have been asked to direct ourselves.

4. In the investigation of the question how far the claims allowed by a particular society are in excess of what is proper, regard must be had to considerations other than those which can form an element in the actuarial calculations applicable to a general scheme of insurance based upon a flat rate of premium. The estimates of the actuaries were based on figures which had regard to the whole industrial population, and are a forecast of what might be anticipated if that population were insured together as a whole, and not divided into separate societies. This was in accordance with the principle of the Act, which, with immaterial exceptions, requires for each sex one flat rate of premium and one flat rate of benefit, restricted only as to age and marriage by the credit of a reserve value. It may well be, however, that where a society has exceeded the actuaries' estimates this result is due to the membership containing an abnormal proportion of lives of a particular type exposed to a sickness risk in excess of the general sickness risk of the whole population. It may also happen that a society whose expenditure is apparently well within that allowed by the actuarial estimate is notwithstanding spending money lavishly, although some fortunate accident of age distribution, a favourable occupational segregation, or other circumstance may conceal the fact from a casual observer.

5. Our task, therefore, was to examine the actual working of the machine as exemplified in the action of its several parts, rather than to investigate the financial results

produced. Such results as have been attained in the short time during which the Act has been in operation are nevertheless of the greatest service in estimating the efficiency of the machinery which has produced them, and therefore constitute an important factor to be taken into consideration in the investigation on which we have been engaged. Further, in so far as the results achieved differ in different societies and different industries, or different geographical areas or different sexes, they enable us to trace more surely such defects as may exist in the administrative machinery.

CERTAIN FACTORS TO BE CONSIDERED.

Insured Persons.

6. There are, however, other factors which have to be reckoned with which are not capable of being brought to the test of exact science, but must remain matters of opinion. No examination conducted into such a subject in the time at our disposal could be exhaustive, nor is it possible that many of the opinions expressed on certain aspects of the question can be put forward otherwise than tentatively. The difficulty of inquiring into all social problems is here accentuated by the novelty and the vastness of the subject-matter, and by the fact that the views of those expressing opinions upon it are liable to be coloured by professional or traditional bias, or to be distorted by the limited outlook which is inevitable in those whose position allows them to see only a small part of the whole field. The subject of our inquiry is one which touches the life of every member of the industrial classes, including both men and women ; among men, the persons included in the scheme range from the clerical workers in regular employment with an income just short of 160*l.* a year or the skilled manual labourer, who may possibly be in a superior financial position, down to the most casually employed member of the industrial community ; while among women the persons included range from the highly educated and regularly employed members of the semi-professional class to the under-fed or ill-fed and low-paid girls who are found in the less organised and less healthy trades. The circumstances in which these very different classes carry on their labour and spend their lives when not at work, are all relevant to such an inquiry as the present.

Doctors.

7. Further, we have to deal with the point of view of members of a profession, each of whom is led by the bias of his training, the isolation and independence of his work and the strong personal relations between himself and his patients to a highly particularistic view of his professional duties and responsibilities (*Bennett*, *Q.* 16,892–4, *Bond*, *Q.* 18,453), and among them both with the point of view of medical men who have had a long experience in the work of sickness benefit, when acting for the old friendly societies and trade unions, and with that of doctors whose introduction to work of this nature, and even to the professional treatment of the more lowly-paid industrial classes, has dated from the introduction of medical benefit under the National Insurance Act.

Approved Societies.

8. To this must be added the necessity of inquiring into the methods and habits of mind of those who are engaged in the administration of sickness benefit as members of the committees of management of approved societies, or as their local officials or agents, and here again we are dealing in many cases with deep-seated habits and points of view formed during long years of experience in the cognate work done for the old societies. While this experience is a valuable element in the administration of the Act, the great divergence of practice which has arisen in different localities and different trades, and which has been perpetuated in the administration of the Act, adds a further complexity to the problem.

THE BENEFITS UNDER THE ACT.

Sickness and Disablement Benefit.

9. The reference to the Committee relates solely to "sickness benefit." This benefit is only one of the five benefits (excluding the additional benefits which may be declared upon the results of a surplus on valuation) to which an insured person is or may be entitled. One other of these benefits, however, "disablement benefit," is merely a continuation of "sickness benefit" at a lower rate in the case of a prolonged sickness. "Sanatorium benefit" (especially having regard to the developments of the work undertaken by public health authorities among the uninsured since the

passing of the Act of 1911) may be considered as in some sort apart from "sickness benefit," though even here there are important correlations between the two.

Medical and Maternity Benefit.

10. "Medical benefit" and "maternity benefit," the remaining benefits, are closely interwoven with sickness benefit; and it is impossible to consider the administration of the last-named benefit without at the same time glancing at the operations of the Act under these two heads. Indeed, when the subject is more closely examined, it will be seen that medical benefit and sickness benefit form mutually dependent parts of a completed whole. We have, so far as possible, excluded from our consideration the subject of medical benefit, except where the operations of the Act bring medical benefit into so intimate a connection with sickness benefit that the two cannot be divorced. Certain conclusions with respect to the administration of medical benefit, considered apart from sickness benefit, have been forced upon us, and at a later stage of this Report we shall make suggestions for the further consideration of this question by such means as may be thought desirable by those responsible.

11. From the point of view of our Committee, however, the framework of the Act is built up on sickness benefit, and all the machinery of the Act may be considered in its function of collecting the contributions of insured persons, so as to form a fund out of which that benefit can be paid; providing medical attendance so that the insured person may be prevented from becoming a claimant for sickness benefit or certified to be a proper claimant for that benefit, and cured, so that he ceases to be a claimant; and testing his claim for sickness benefit, and conveying the sums payable in respect of that benefit to him expeditiously, and with due regard to certainty, justice, and economy.

12. So far as maternity benefit is concerned, when the question of women of childbearing age is considered in relation to sickness benefit, it becomes apparent that the administration of the two benefits, at least so far as concerns those women who are themselves insured persons, must necessarily be interwoven. Since the changes in the law introduced by the Act of 1913, that which was originally contemplated as the "sickness benefit" payable in respect of the first four weeks after confinement, has become a "maternity benefit" payable in one lump sum. This is little more than a change in name, and the true problem in relation to women of childbearing age (that is, the amount which may properly be expected to be paid in connection with the periods of pregnancy and childbirth) can only be gauged through an investigation which takes account of the disability arising during the whole childbearing period as well as during the periods immediately preceding and following childbirth.

GENERAL SURVEY OF MACHINERY SET UP BY THE ACT.

THE COMMISSIONERS.

13. In effect, therefore, it is necessary for us to take a survey of the whole machinery set up by the Act. We have first to deal with the enactments of the statute itself, and the subordinate legislation brought into existence under the Act by the Commissioners, and with the operations of the Commissioners themselves as the promoters, subject to the veto of Parliament, of this subordinate legislation. Besides this function, however, the Commissioners, perform certain well-defined duties under the statute. They have the control and management of the fund into which the contributions of employers and employed are paid, and out of which issues are made to the societies. They sit as arbitrators on appeal from the domestic tribunals of the societies themselves, and they have, under the statute, the duty of deciding innumerable questions as to the status of persons in respect of their liability to compulsory insurance under the Act. Upon them was laid the duty of approving the societies for the purposes of the Act, and certain, though not all, of the rules of these societies require the Commissioners' approval for their validity. Important duties, also, arising out of the valuations of approved societies will rest upon them.

14. Besides these clearly-defined duties, they have had, and have exercised from the commencement, the more general duty of advising and assisting the societies, both in their formation and in their subsequent operations of interpreting the Act and the regulations. It should, however, be clearly understood that the powers of the Commissioners are subject to very strict limitations. They have no general power to lay down the correct interpretation of the Act, which is left to the ordinary tribunals of the law. In essence each society, when once it has obtained approval, is an independent and self-governing body, only amenable to legal processes, and entitled, when once it has obtained approval, and so long as it remains approved and conforms to the law, to carry on its operations in its own way.

THE APPROVED SOCIETIES.

Number and Nature of Government.

15. The next agency to be considered is that of the Approved Societies. In all 2,608 societies have obtained approval under the Act, 2,218 of whom were approved for the purpose of carrying on business in England. The number of societies at present actually operating in England is 1891. These range in size from the great centralised societies and the great affiliated orders with many hundreds of thousands of members, down to small village or local clubs whose membership in some cases does not exceed 100 (*Daniels, Q.* 14,074). Between these two extremes we find almost every conceivable variety of type of administration. Some societies are centralised both as to control and as to finance (*Hollins, Q.* 9051 ; *Dyer, Q.* 23,567, &c.) ; that is to say, their central executive body exercises or purports to exercise a control over the payment of every claim (though some form of delegation is sometimes permitted in dealing with the simpler cases), and the funds of all the members are pooled together so that all alike suffer from maladministration or any other cause resulting in a deficiency, or gain the advantage of good administration resulting in a surplus.

16. At the opposite extreme from this system of organisation come the great affiliated orders, where each registered branch (lodge, court, or tent, &c., as they are variously called) stands or falls by its own local administration over which control is exercised by its local Committee (*Shaw, Q.* 6586 ; *Hyner, Q.* 19,026 ; *Johnson, Q.* 26,350). The effects of this system of local finance are, however, mitigated by the provisions of the Act, which require the sharing of some part of any realised surplus among the branches in the same society or district which are in deficiency, and thus require the more successful branches in the organisation to assist the less fortunate.

17. In practice, however, even in these cases the central authority endeavours to exercise some control over the methods employed by the local branch. Sometimes this control amounts to little more than judicious advice (*W. P. Wright, Q.* 31,459 ; *Jones, Q.* 41,118) ; sometimes it results in substantial assistance by way of help in the technical matters of administration (*Johnson, Q.* 26,357), and sometimes an endeavour is made to bring all the local units up to a certain standard of administration (*Huntley, Q.* 24,842). Cases, however, are also to be found where, while the finance of the society, or alternatively the district, is centralised and no local units exist for separate valuation, all local control is left in the hands of local officials (*J. Duncan, Q.* 4016–9 ; *I. Wright, Q.* 21,560).

Differences in Character of Membership.

18. Any inquiry into the administration of sickness benefit must be concerned largely with the results which flow from the adoption of any one of these types of organisation. At the same time there are great difficulties in disentangling the causes which in the case of any particular society lead to successful or disastrous results. Not only are societies differentiated by the type of organisation adopted, but they also differ widely one from another according to the character of their membership. Some societies (and those the largest of all) contain a fairly representative aggregation of the members of the insured population (*Jefferson, Q.* 7178 ; *Barrand, Q.* 4742 ; *J. Duncan, Q.* 3550 ; *Hyner, Q.* 19,037). Others have had as their object the selection of members of a particular type grouped together by reason of employment in a particular industry. Thus most of the Trade Union Approved Societies comprise a membership composed entirely of men or of women, or of both, engaged in one occupation or in a number of allied occupations. Again, other societies appear to have had a peculiar attraction for persons of a particular type of occupation or habit of mind (*Tuckfield, Q.* 1078 ; *Daniels, Q.* 13,810 ; *I. Wright, Q.* 21,574 ; *Saunders, Q.* 9560–1). Some, again, are purely local. Others have taken as their leading principle a limitation of membership to total abstainers ; and others, being founded in connection with particular places of worship or particular religious agencies, have collected a membership composed in the main of persons within the spheres of influence of the religious denominations concerned. Many societies admit men only or women only.

The result is that in many cases a particular society presents very strongly marked individual features. Each of the old friendly societies which in the past, especially in the case of some of the longest established, exercised a careful selection, and required medical examination on admission, and which in consequence was composed in the main of the more thrifty members of the working classes, has succeeded in a

large measure in retaining its peculiar characteristics. These societies, for the most part, have without any further medical examination admitted as members for the purposes of the Act all those employed persons who were their members on the voluntary side before the Act came into operation, and who were willing to enter. It follows that each of these societies is composed in great part of persons who are to some extent familiar, through old experience, with the principles of sickness insurance (*Saunders*, *Q.* 9572).

19. This statement must, however, not be pressed too far, both because these societies have also admitted large numbers of persons who were not previously members on the voluntary side (*Daniels*, *Q.* 13,794–8; *Tuckfield*, *Q.* 790), and also because we find in our witnesses a tendency to deplore a certain weakening in the interest displayed by their members in their societies—a weakening which, in our view, and as is admitted by several of these witnesses, has been in progress for many years and must, therefore, be attributed largely to causes other than the operation of the Act (*Gray*, *Q.* 5614; *Hyner*, *Q.* 19,954, &c.).

Segregation in certain Societies of Certain Types of Lives.

20. On the other hand, the association together of unskilled persons engaged in particular trades sometimes results in the segregation of persons less fitted than the average member of the working classes for withstanding the strain of industrial life; and we find also aggregations of persons who, though not less healthy than the average of the population, are engaged together in trades which are peculiarly hazardous as regards sickness experience.

Consequent Variation in Meaning of Words "Incapable of Work."

21. A further somewhat unexpected result follows from segregation; namely, that in societies of different types, strongly divergent practices have arisen as to the circumstances in which sickness benefit should be paid. "Inability to work" has had in the past widely different meanings when it stood in relation to a man engaged in strenuous and exacting work such as coal mining on the one hand (*Charles*, *Q.* 20,726), and an ordinary member of a society largely composed of sedentary workers on the other.

Responsibility of Societies as regards Payment of Claims.

22. A society, however formed and by whatever rules it is governed, is bound upon receiving a claim for sickness benefit to deal with it in accordance with the statute which confers his rights upon an insured person and the rules of the society regulating the machinery whereby claims are to be made and proved. It has a great discretion with regard to the manner in which claims are actually dealt with, to the system whereby the sick are visited in their homes, and to the sternness or laxity of the discipline imposed upon members in receipt of sickness benefit. The methods employed for these purposes will result in good or bad experience, according as they are well or ill-devised and well or ill-employed. But in essence the society, like the Commissioners themselves, is a body bound by law. It cannot capriciously admit members to benefit or capriciously reject the claims of those persons who are incapacitated from work by reason of specific disease or bodily or mental disablement.

THE MEDICAL PROFESSION.

Nature of Arrangements with Practitioner.

23. The agency next to be considered is that of the medical profession. By statute every duly qualified medical practitioner has a right to place himself upon the list of those who, in the county borough or county in which he practises are to give medical attendance and treatment to insured persons, and to receive, in respect of that medical attendance and treatment, fees calculated in accordance with the arrangement made between him and the Insurance Committee for the area.

24. The Insurance Committee cannot make any selection among these practitioners. In the event of abuse, the Committee is empowered after inquiry to represent to the Insurance Commissioners the necessity for removing the name of any practitioner, who has entered into arrangements with the Committee, from the list. Primarily the duty of every practitioner is to attend and treat those insured persons who have selected him, and whom he has accepted for the purpose; and every insured person is entitled to the services of some practitioner.

25. The arrangements described in the preceding paragraph are those under which the great majority of insured persons obtain medical attendance and treatment. The Act provides, however, for attendance and treatment being obtained in special circumstances in certain other ways. An Insurance Committee may allow any insured person, and may require any insured person whose income exceeds a limit fixed by the Committee, to make his own arrangements for obtaining attendance and treatment, the Committee in these cases contributing towards the cost of the attendance and treatment so obtained. Again an insured person, who is entitled to obtain treatment under a system or from an institution which was in existence prior to the passing of the Act, and which has obtained approval from the Committee and the Commissioners may, if he so desires, obtain his medical attendance and treatment under that system or from that institution, the Committee contributing towards the cost as in the case of those who have made their own arrangements.

Duty of Certification.

26. The most intimate connection between the practitioner and the administration of sickness benefit lies in the fact that it is upon the certificate of the medical practitioner that the insured person makes his claim. It is true that the medical certificate is not in law the sole evidence available to the insured person for proof of his incapacity. In theory this fact has an immense importance in the consideration of the whole machinery of claiming; but in practice the number of cases in which it is sought to substantiate a claim for "sickness benefit" without the assistance of the medical certificate is negligible.

27. The certificate is given by the medical practitioner on the panel in pursuance of a clause in the contract entered into by him with the Insurance Committee, under which he agrees in effect to give, without charge, the initial certificates, the continuation certificates and the declaring-off certificates required by the rules of the society of which the insured person is a member. Any practitioner with whom an insured person has made his own arrangements, and the medical officer of any system or institution through or from which an insured person has elected to obtain his attendance and treatment, is similarly placed under an obligation to furnish such certificates as a practitioner upon the panel would, in the same circumstances, be under an obligation to furnish.

Relations between Societies and Doctors in the Past.

28. As has been already stated, many of the medical practitioners now on the panels were, before the Act came into operation, doctors to the friendly societies or their branches, and were remunerated by those societies or branches at a payment calculated per head of the membership which had a right to receive medical attendance from them. The connection between the societies or branches and the doctors acting for them was in many cases extremely close (*Bunch*, *Q.* 11,192; *Barker*, *Q.* 8375; *Hyner*, *Q.* 19,108). It is unnecessary here to enter into the somewhat heated controversy which has raged round the subject of contract practice. It is sufficient to state that, whether for better or for worse, the effect of the Act has been to place the old friendly societies and their doctors in a new relation, while at the same time it has introduced into the work of certifying on the one hand, and paying upon the certificate on the other, a host of doctors and officials who had no previous experience of the work (*Thomas*, *Q.* 4166).

29. In the past, we are told, the local committee of the society or branch were indifferent as to the exact nature of the disease stated upon the certificate (*Barnes*, *Q.* 41,880). In effect, it is said, they regarded the issue of a certificate to one of their members as a pledge of the professional reputation of the doctor by whom it was issued that the member was from a medical point of view entitled to be placed upon the funds, having regard to the local custom, whatever it might be, with respect to the standard of incapacity required. Those responsible for the management of the friendly society placed reliance upon this pledge of the doctor's reputation, both because he was an officer of the society and because from long association with him they had come to regard him as a friend who would consider the needs of the lodge as well as the legitimate claim of the member, and also from motives, not so altruistic in themselves, natural to people who hold the purse strings and are able, in the event

of a difference of opinion, to bring the relation between the doctor and the lodge to an end.

30. It would be both harsh and meticulous to analyse too closely the degree in which each of these motives entered into the relation; and, while every credit must be given to the witnesses who have expressed this view of the matter to us, some account must be taken of the fact that they speak as those looking back to what many of them regard as a golden age. But when every allowance has been made for this natural tendency to regard the former times as better than these, there can be no doubt that in the past the officials did not consider it necessary to criticise certificates with any great care, and relied both upon the society's doctor and upon their own personal knowledge of the circumstances and habits of the claimant to safeguard the funds against improper claims (*Hyner, Q.* 19,115–6).

Attitude in the Past towards Doctors' Certificates.

31. There is, however, a certain misunderstanding inherent in many of the statements advanced in evidence on this question. Statements have repeatedly been made by witnesses to the effect that they have never felt it to be part of their duty to go behind a doctor's certificate, and that they have accepted certificates as complete evidence that the claimant for benefit is really ill and incapable of work (*Pimble, Q.* 37,269, 37,271); that, unless some offence had been committed, the doctor's certificate was taken as the final voucher for sickness benefit, and that the custom is still in force of paying upon the production of the doctor's certificate only (*Hyner, Q.* 19,535–7); that, previous to the commencement of the Act, the doctor's certificate had always been accepted as the sole proof in support of a sickness claim, and acted upon (*Wigglesworth, Q.* 18,087); that a secretary never thought of questioning a doctor or of having any dispute with him about his certificates (*W. P. Wright, Q.* 31,789); that a secretary feels that when he has a certificate signed by a medical man he is bound to accept the statement made on it (*Pearce, Q.* 6394). The same view is frequently expressed in the statement that medical opinion must finally decide the question of incapacity (*Barnes, Q.* 41,899); and in this form the same view may be traced in the evidence of certain medical witnesses, that it is the doctor who is to decide whether the insured person is ill enough to have sickness benefit or not (*Burgess, Q.* 20,231), that the certificate amounts to a sort of cheque drawn upon the funds which the society is keeping on behalf of the insured persons, that the referee must have the last word if appealed to by the society (*Devis, Q.* 40,083).

The necessity of "Questioning" the Doctor's Certificate.

32. In reality, such statements involve a misapprehension of the point at issue, and the observations made with regard to the past practice of societies do not represent a practice differing from that which it is now assumed must be adopted in "questioning" doctors' certificates. The right of an insured person to obtain sickness benefit is dependent upon his being rendered incapable of work by specific disease or by bodily or mental disablement. Apart from the question of what is involved in incapacity for work, which need not be considered at this point, this does not differ materially from the old criterion under which sickness benefit was granted by friendly societies. As already stated, societies require that any such claim should be substantiated by evidence, and by their rules they specify as the best evidence available, the certificate of a medical practitioner. In ordinary circumstances, it is necessary that such a certificate should be produced is support of a claim for sickness benefit, and ordinarily the production of such a certificate will be sufficient to justify the payment of the claim in support of which the certificate is produced. Circumstances may, however, arise in which other evidence might be presented in support of a claim, and if the evidence so presented is sufficient to constitute adequate proof of incapacity entitling the insured person to sickness benefit, the claim must be met by the society. There are, on the other hand, cases in which the evidence of a medical certificate is not sufficient, or is open to rebuttal by other evidence. The statement contained in the medical certificate merely purports to be the considered opinion of the medical practitioner. In a very large class of cases, the causes of incapacity present subjective symptoms only (*Divine, Q.* 33,376; *W. Duncan, Q.* 17,389–92). In these cases the doctor has to rely almost entirely on the statements made by the patient, and where the society has knowledge that the behaviour of the insured

person is inconsistent either with the illness from which he is alleged to be suffering or with the condition of incapacity which is alleged, it is the duty of the society to weigh the evidence of the doctor's certificate against the other evidence bearing on the question of the insured person's incapacity, before deciding to grant or withhold payment of benefit.

Practice of Societies in the Past.

33. This is not only obviously necessary, but it is closely allied to the course which in fact societies have adopted in the past. It is abundantly clear from the evidence that societies made use of the intimate connection between the lodge and the doctors to bring to the knowledge of the doctor facts which in their opinion ought to be taken into consideration in determining the question of the claimant's incapacity, and in the light of which it was at least assumed that the doctor might revise the judgment already given by him. Thus in the past where societies thought that the complaint was trivial, they interviewed the doctor (*Crisp*, *Q.* 39,008-9); where they thought a man was too long on the funds, they would get into touch with the doctor, who would thereupon give special attention to the case (*Barker*, *Q.* 8,380); if it was a case of shamming, the court and the doctor would take joint action (*Hyner*, *Q.* 19,107), or in an obvious case the court would refuse benefit (*Hyner*, *Q.* 19,258); when the society had any doubt about a man, they went to the doctor, and they talked over the matter in a friendly spirit (*W. P. Wright*, *Q.* 32,135). Societies, therefore, did not, in spite of professions to the contrary, resign their discretion to the medical officer. On the contrary, the intimate knowledge which they had of their fellow members and their close relations with the doctor enabled them to exercise a very real and effective check on the certificates received. It is scarcely necessary to observe that what has been found necesary in the past practice of friendly societies is even more necessary under present conditions, when the introduction of a large section of the population to insurance has at least for a time deprived the societies of that intimate knowledge of all their members which previously existed in many cases, and when simultaneously there has been introduced to the work of certifying a large body of doctors who have not been trained to a knowledge of the conventions and the practice of friendly society work. The necessity for a society to exercise a power of questioning certificates and to keep in touch with the medical practitioner in cases about which they are doubtful may be sufficiently illustrated by a case brought to the notice of the Committee in which an insured person earning 22*s.* a week and insured for 34*s.*, with a previous record of obtaining 10 weeks benefit a year, declared on the funds of the society after preliminary inquiry to satisfy himself that he was in benefit to the full amount. In this case the local secretary and the sick steward were both satisfied that the man, who beguiled the tedium of his leisure by attending to his pigs, "did not seem ill in the least," yet they professed themselves obliged to pay benefit because he produced a certificate from a doctor, who, according to the belief entertained by the local secretary, "gives a certificate to anyone who asks him for one." Apparently, no attempt was made to communicate to the doctor the grounds on which the society's suspicions were based (*Mander*, *Q.* 21,628-21,635). When a society is urged to "question" medical certificates, it is not intended that they should arbitrarily or capriciously set aside the evidence of the medical certificate, but merely that they should assess that certificate in the light of any other evidence of which they may be possessed. As friendly societies have done in the past, so should they continue to make use of their knowledge of the habits or the behaviour of the insured person as evidence which along with the medical certificate must be taken into consideration, if necessary after consultation with the doctor, before a decision is arrived at on the question of paying the claim.

34. It must also be remembered, in considering this question, that disputes, arising as to title to benefit between a member and his lodge, were decided in the past by the domestic tribunal of the lodge, which no doubt dispensed equity to the satisfaction of the members generally.

35. There is this much to be said, in support of the distinction which the friendly society witnesses attempt to draw between the former practice and the present, that the scope for differences of opinion arising on the certificate was narrower, when the medical man was an officer of the society dealing with patients whose characteristics both he and the officials knew more or less intimately, than it is under the present (transient, it may be hoped) conditions, when patient, doctor, and official are comparatively ignorant of, and out of close relationship with, each other. Thus the society witness, when he says that it was never the practice to question a

medical certificate, is thinking of a state of affairs in which the doctor, as an official responsible to the society, was careful as a rule to weigh the disabling effect of the complaint for which he was consulted before he gave a certificate of incapacity for work to the patient. We shall have occasion at a later stage to discuss defects in certification, but it is convenient here to recognise the difficulties in which societies, accustomed to attach great weight to medical certificates, even though they might raise questions upon them, have been placed by the presentation to them of certificates for alleged incapacity due to causes from which, ordinarily incapacity would not arise. In the words of one witness, "We never saw a "certificate from a doctor certifying a young girl or a youth to be suffering from "debility, and we never saw toothache, earache, and headache, until the Act "commenced operations." (*W. P. Wright, Q.* 31,794). It cannot be doubted that this new feature in certification, combined with the loss of the old system of direct communication between the societies and the doctors has led to a feeling of helplessness in the minds of society officials to which must be attributed some of the confusion of thought to which we have directed attention.

Necessity of Maintaining Old Practice.

36. The Act, which confers upon members a right to sickness benefit by Statute, and entrusts the granting of certificates to medical men, who have no direct personal business relationship with the management of the fund out of which the benefits are paid, has really placed a new value upon precision in the certificate itself, and invested the circumstances in which it is given and received with a new sanctity. It has no less made it incumbent upon societies to test as carefully as in the past certificates which are now received from doctors with whom the old intimate relations no longer exist.

INSURED PERSONS.

37. On the assumption that the claims made upon the National Health Insurance Fund for sickness benefit are in excess of the Actuaries' estimates, or are in excess of what is proper, it is clear that it is at least as likely that this excess proceeds from a defect in some one or more of the agencies already described as from the actions of insured people. It is, however, much easier to allege broadly that insured people as a class make excessive claims, or, as it is sometimes said, malinger, than it is to detect, and trace to their ultimate cause, the deficiencies in the machinery.

Difficulty of Generalisation.

38. Generalisations as to the action of insured people as a whole are necessarily too wide to be reliable. The insured population includes almost the whole of the industrial population, and clearly the point of view of a man in good regular employment who has been insured in a Friendly Society for many years, must differ from the point of view of a woman in low-paid employment, who has never thought about sickness insurance until she finds herself insured as an employed contributor under the Act.

Provisions of Section 72 of the National Insurance Act, 1911.

39. Certain generalisations, however, may be permitted. In the first place, some millions of those who are employed contributors under the Act were at the time of its commencement already insured against loss of wages through sickness. The Act, by section 72, contemplated that those registered Friendly Societies, which provided benefits similar to any of those conferred by the Act, might abolish, reduce, or alter those benefits as respects members who became insured persons, applying the resulting saving, if any, for the benefit of the existing members of the society. Very little advantage has been taken of this provision. None of the large societies which were represented in evidence before us have made a compulsory scheme reducing the rate of sickness benefit payable to their members on the private side, or the contributions paid by them on the private side for sickness benefit, and the general consensus of opinion among members of the societies concerned has been in favour of retaining both the existing contributions and the existing benefits at the level at which they stood before the Act.

40. This result is somewhat surprising having regard to the financial position of many of the societies at the passing of the Act. Valuations of the private funds of many of the societies had disclosed deficiencies—sometimes to a very considerable extent; and it might have been anticipated that governing bodies of societies, by endeavouring to induce their members to take advantage of the section and to reduce their contributions and benefits, would use this opportunity to bring the societies back to solvency on the private side. In fact, however, except in very few cases, the only action taken has been to offer an option to the members to submit to a reduction of contribution and benefit.

Failure of Section 72.

41. In consequence, in many cases brought to the notice of the Committee the effect of section 72 has been negligible. In the Order of Druids Friendly Society, 96 per cent. of the membership continued their full contribution (*Shaw, Q.* 6511); in the Hampshire and General Friendly Society, the percentage is about 91 (*Bunch, Q.* 10,878); in the Ideal Benefit Society the number applying for reduction is given as negligible (*Daniels, Q.* 13,854); in a female branch of the National United Order of Free Gardeners, only two members reduced (*Wigglesworth, Q.* 17,838); in the largest district of the Sons of Temperance only 1½ per cent. reduced (*Wightman, Q.* 25,388); in the National Independent Order of Oddfellows about 93 per cent. continued their full contribution (*Johnson, Q.* 26,478); in the Manchester Unity the figures given for those reducing their contributions indicate a percentage of 9 and 2 in certain districts (*W. P. Wright, Q.* 31,669–31,824); although in other lodges the number reducing is much higher (*W. P. Wright, Q.* 31,828), and in the Sheffield Equalised Independent Druids only about 3½ per cent. reduced (*Mander, Q.* 21,692). Figures such as these indicate that the members of the societies themselves could only with difficulty have been induced to sanction a compulsory reduction of contribution and benefit. It was stated by the High Chief Ranger of the Ancient Order of Foresters that the rank and file of the Order would not for a moment have countenanced a compulsory reduction under the section (*Hyner, Q.* 19,336), and evidence in the same sense was received from the Grand Master of the Manchester Unity (*W. P. Wright, Q.* 32,218). The difficulty experienced in effecting a compulsory reduction is also evidenced by the failure of one society which endeavoured to do so, but was unable to obtain the consent of its members to the adoption of this course (*Pimble, Q.* 37,164–5).

Extent of Double Insurance.

42. In this connection a few figures may be given to illustrate the extent to which members who are insured for the purpose of the Act are also members on the voluntary side. In the Rational Association Friendly Society, out of a membership for State purposes of 108,087, 76,000 are also members on the voluntary side (*J. Duncan, Q.* 3545); in the Order of United Sisters practically all on the private side are also on the State side (*Pearce, Q.* 6097); in the Order of Druids, of 68,422 men who are members on the State side, 50,000 are also members on the private side (*Shaw, Q.* 6478); in the Tunbridge Wells and S.E. Counties Equitable Friendly Society, of a total membership for State purposes of 30,000, about 20,000 are members on the voluntary side (*Saunders, Q.* 9334); in the Ancient Order of Foresters, of a State membership of 658,096, 448,354 are contributing also for voluntary benefits (*Hyner, Q.* 19,019); in the Amalgamated Union of Co-operative Employees, all the members on the State side are also members on the voluntary side (*Davies, Q.* 35,980), and the same is true of the Amalgamated Society of Tramway and Vehicle Workers (*Jackson, Q.* 36,471); in the Gloucester Conservative Benefit Society (Men), 90 per cent. of the State members are members of the parent society, while in the case of the corresponding women's society, 80 per cent. are members of both (*Pimble Q.* 37,026–7).

43. In contrast to the general failure to take advantage of the provision of section 72 of the Act, special mention must be made of the action taken by the Royal Oak Benefit Society. The committee of this society, apparently with some difficulty, induced its members to agree to a compulsory reduction of contributions and benefits (*Dyer, Q.* 23,615–7). The experience of the society has been an eminently favourable one, and, in the opinion of the secretary, the action taken under section 72 is likely to prove its salvation. A similar compulsory scheme has been put into operation by the Midland Railway Friendly Society (*Woodcock, Q.* 15,035) which has

experienced, in contradistinction to most societies, a lighter rate of sickness on its private side in 1913 than in 1912 (*Q.* 15,058).

44. These, however, are merely isolated examples, and the general result of section 72 having been to such an extent inoperative is that the position of these millions of insured persons has been materially changed at least in this respect, that while sick they now obtain 10*s.* or 7*s.* 6*d.* per week more than formerly. Except in rare cases, it is probable that the amount for which these members were previously insured was something less than the wages which they earned when at work. The addition of the benefit under the Act has in these cases completely changed the situation. In the words of one witness, "if you take the case of the majority of "workers earning from 25*s.* to 30*s.* a week, when they go on ill and get only 10*s.* a "week, they begin to feel the pinch of poverty, but if they get another 10*s.* or 12*s.* a "week, they do not feel the pinch, and there is no great inducement to them to go "back to work." (*Rogers*, *Q.* 15,391).

Cases of Multiple Insurance.

45. Sometimes the insured person is, in addition to his State insurance, entitled to receive benefit from more than one society of this kind, and we have heard in evidence of numerous cases in which the insured person draws as sickness benefit a sum considerably in excess of his normal rate of remuneration. Among such cases may be noted a platelayer earning 1*l.* 1*s.* insured for 28*s.* 6*d.*; an apprentice hairdresser earning 7*s.* insured for 16*s.* (*Shaw*, *Q.* 6805); an employee in a dockyard earning 2*l.* 2*s.* insured for 2*l.* 11*s.*; and another case in the same society insured for 32*s.* against a weekly wage of 18*s.* (*Bunch*, *Q.* 10,868); cases of insurance for 35*s.* when the wages range from 30*s.* upwards (*Daniels*, *Q.* 13,846); a labourer earning 22*s.* insured for 34*s.* (*Mander*, *Q.* 21,628); an agricultural labourer earning 15*s.* insured for 30*s.* (*Hartop*, *Q.* 22,368); a labourer earning 25*s.* insured for 28*s.* (*Hodgson*, *Q.* 25,672); cases of tramway employees who with the sick pay obtained from their employers may receive 2*l.* when sick as against a wage of 32*s.* (*Jackson*, *Q.* 36,491); agricultural labourers receiving from 18*s.* to 22*s.* when sick, earning from 13*s.* to 14*s.* when at work (*Dixon*, *Q.* 39,481). From such specific cases as these and from the general observations of the witnesses on this question, it is evident that insurance for a sum in excess of the normal wage of the person insured is now by no means uncommon.

Effect of "Over-insurance" on Sickness Claims.

46. Even with a knowledge of such facts as these, it is, however, difficult to arrive at a decision as to the extent to which over-insurance is an effective factor in producing or prolonging sickness claims or indeed to arrive at any precise definition of "over-insurance." It has been urged by some witnesses that the man who is insured in several societies is temperamentally prudent and that for the most part the spirit of thrift and foresight which leads to insurance in several societies, will only be found in the very best type of workman who will only claim when it is absolutely necessary to do so (*Barber*, *Q.* 8322). In particular one case was instanced, where an insured person, much "over-insured" in the ordinary sense, refused to draw benefit on being offered temporarily a light occupation at a wage much below the rate of benefit which it was open to him to receive (*Divine*, *Q.* 33,214). It has also been argued that double insurance will not in the long run produce the effects which some ascribe to it, inasmuch as the insured person is enabled to remain longer on the funds, and thereby avoid a second illness by getting completely cured from the first (*Dixon*, *Q.* 39,557; *Johnson*, *Q.* 26,480).

Meaning of Over-insurance.

47. With regard to the meaning to be attached to the phrase "over-insurance," there is also a divergence in the views expressed by the witnesses. Repeated expression was given to the theory, that, inasmuch as expenses necessarily incurred are greater in sickness than in health, no objection can be taken to an insured person receiving, when sick, benefit somewhat exceeding the wages earned when at work. "When I am well," it is said, "I could eat a crust of bread and cheese, and "enjoy it, but when I am ill, I cannot. I want more expensive food" (*Pimble*, *Q.* 37,165). When sick, it is urged, an insured person requires more care and nursing

(*Davies*, *Q.* 36,168), and in many cases if he is to receive proper food and attention, he would require something in excess of his ordinary earnings (*I. Wright*, *Q.* 21,919). For these, and analogous reasons, some witnesses have not been in favour of imposing any limit on the amount to which an insured person should be allowed to insure for sickness benefit (*Wigglesworth*, *Q.* 18,207). On the other hand, certain witnesses have regarded as a state of over-insurance, not only any case where the benefit exceeds the normal rate of remuneration, but also where it nearly approaches that amount (*Wightman*, *Q.* 25,317). The argument, however, that in cases of genuine illness a larger income may be necessary than in times of health, even if granted as valid, does not meet the difficulty that during periods which could not be regarded as times of genuine illness, the possibility of drawing more when idle than when at work might furnish an inducement to declare on the funds unnecessarily, when no case could be advanced for the necessity or desirability of more money being available for the household. If it is granted that any excess furnishes usually a certain temptation, it may be argued that it is expedient that the maximum sum insurable should be somewhat less than the ordinary earnings of the insured person (*Jackson*, *Q.* 36,555).

Effects of a Deposit System.

48. As an illustration of the moral effects of over-insurance, reference may be made to the case of those societies which conduct the business of sickness benefit on the private side upon a deposit system, under which the member has a direct financial interest in drawing as small a sum as possible from his account with the society. We found throughout our inquiry that where members are insured both on the State and on the voluntary side, the experience of the two sides since the passing of the Act corresponds very closely. In societies conducted on the principle here described the experience since payment of benefits began has been distinctly below that usually found in societies conducted on other methods, and while some part of these favourable results is due probably to the character of the old membership, some part also must, in our view, be attributed to the fact that the member has an inducement to refrain from drawing money on the private side. In the case of one such society, where the amount paid per member per week for men was 1·45*d.*, the assistant secretary attributed the favourable experience to the peculiar constitution of the parent society (*Saunders*, *Q.* 9782).

Suggested Remedies.

49. The question whether the Legislature should make provision for these cases by limiting the amount to be drawn on the State side where, when added to that drawn from private insurances, it exceeded the claimant's wages, was considered when the Act of 1911 was in Committee, and a provision to this effect which appeared in the original Bill was deleted in its passage through the House. From the almost complete failure of section 72 of the Act, there is some ground for assuming that that portion of the insured population which has been in the habit of making provision of this kind, would greatly resent any proposal which might be represented as an attempt to limit the amount of provision which they were entitled to make. Such a proposal would, we anticipate, be objected to, not only on the plea that a man requires more when sick than when in health to maintain himself and his family, but also on general principles that it would be an unwarrantable interference by the State (*Jackson*, *Q.* 36,741).

50. We are, however, not confident that those who have continued the old rate of payment would take the same view of the matter, if bad trade were to cause any considerable degree of unemployment. We fear, that in the event of bad trade and unemployment becoming general, many insured persons would be likely to cease their contributions on the private side. In that event they would lapse from insurance on that side and would suffer the loss of the benefits for which they have contributed for many years. They would thus be placed in a far worse position than if they had been compelled to reduce their contributions under section 72 or had exercised their option to do so. It is still open to societies to submit amendments to their schemes reducing or altering contributions and benefits.

Possible Action by Approved Societies.

51. There is much to be said for a proposal that societies might, if they thought fit, impose upon their members by rule an obligation to state the total amount drawn by them in "sickness benefit" from all sources. Some societies at present

exact a statement of this character from their members before accepting them for membership on the private side, and limit the amount insured on the private side by reference, sometimes to the total amount insured, and sometimes to the average amount earned in the employment in which the member is engaged (*Daniels*, *Q.* 13,853; *Morland*, *Q.* 34,997). It would require an alteration of the law, which it might be difficult to effect, to enable or require societies to reduce the flat rate of sickness benefit payable on the State side, and they already have power to impose limits on the private side. In these circumstances the Committee can only suggest that societies should, where they find evidence of over-insurance, encourage the adoption of alternative benefits, and at the same time, in scrutinising the claims for benefit, consider themselves as put upon inquiry, and apply the strictest tests possible by way of sickness visitation and communication with the doctor. It must be remembered that many of the illnesses from which people are alleged to suffer are so subjective in their nature, that it is impossible for an outside observer to judge whether they are incapable of work. In other cases, where no allegation is made that a man is simulating or exaggerating symptoms of disease, it is necessary, in order to gauge the person's willingness to make an effort, to take into consideration the temptations to which he is exposed.

Novelty of Insurance.

52. It has been suggested to us that apart from any inducement to come or remain on the funds owing to what may be called over-insurance, there are cases where the doubly insured member now comes on the funds though he would not have done so previously, not because he is over-insured, but because he is now adequately insured for the first time (*Johnson*, *Q.* 26,259). There remain also great masses of cases, where, whether adequately insured or not, the insured person is for the first time in his life able when sick to draw something in lieu of wages. This class of person (and in this class are included, with such few exceptions as to be negligible, the whole female insured population) was for the first time, in July 1912, introduced to the principle of insurance against sickness. It is hardly likely that he or she has succeeded in grasping the idea. In the first place, the whole surroundings are completely novel. The steps to be taken to join a society, to apprehend its rules, to fill up the necessary forms, and to give the necessary notice at the proper time, involve an amount of reading and writing to which great masses of the industrial population are strange. To many insured persons, we are assured, nevertheless, the matter is a clear and simple one. He or she has paid in certain sums of money, and expects at an early date to obtain commensurate advantage in cash; they have "paid in 26 sixpences and they want to have out 26 seven-and-sixpences" (*Sanderson*, *Q.* 35).

Unwillingness to bring the Period of Incapacity to an End.

53. Yet, even in recording this fact, it must be stated also that the main feeling in the mind of anyone examining the operation of the Act, is one of wonder that it should proceed as smoothly as it does. Practically all the witnesses, medical and lay, repudiate the idea that any appreciable amount of fraud exists. Falling short of deliberate fraud, however, there is a considerable body of evidence both from representatives of approved societies and of the medical profession of an unwillingness to bring the period of incapacity to an end, and of difficulty in getting an insured person who has once declared on the funds to declare off (*Sanderson*, *Q.* 40; *Clayton*, *Q.* 3054; *Thomas*, *Q.* 4478; *Jefferson*, *Q.* 7197; *Hollins*, *Q.* 9399; *Willson*, *Q.* 5939; *Lamacraft*, *Q.* 9881; *Bond*, *Q.* 18,477; *Gordon*, *Q.* 2406; *Bunch*, *Q.* 10,845, &c.).

54. Various aspects of this were emphasised by representatives of approved societies. On the one hand, the peculiar position of married women renders it difficult to supervise them while in receipt of sickness benefit. Having declared on the funds, "they must clean down" (*Thomas*, *Q.* 4199, *Duncan*, *Q.* 3702), and there is thus not only a temptation to remain on the funds in order to do housework, but there is also a tendency that the period of actual incapacity itself may be prolonged. This, however, is no new difficulty (*Wigglesworth*, *Q.* 17,842, 18,249), and has in the past been the occasion of many attempts to define with precision what a woman could or could not do while in receipt of sickness benefit.

55. Another aspect of this tendency to remain unduly on the funds is to be found in a certain disposition to make use of the sickness benefit while out of employment, or to cover a period of what may, no doubt, be a very desirable rest from labour

(*Parsons*, *Q.* 31,247). Cases of this nature have been instanced in which the insured person has declared off on obtaining employment, and has stated as his reason for not declaring off earlier that he had no work to go to (*Layton*, *Q.* 29,176; *Jones*, *Q.* 41,218; *W. Duncan*, *Q.* 17,092; *Bennett*, *Q.* 16,129). It is stated that the insured person regards such a perversion of sickness benefit as a perfectly legitimate action, and it has even been said that the confusion between sickness and unemployment benefit is the result of the fact that successive generations of society officials have winked at the practice (*W. Duncan*, *Q.* 17,094).

56. The evidence of the medical practitioners who appeared before us also emphasises the tendency to make claims which are not themselves unjustifiable from the beginning, but are unjustifiable as the magnification of something which is itself justifiable (*Hodgson*, *Q.* 25,622; *Bennett*, *Q.* 16,096). From the medical point of view, the difficulty experienced in connection with the tendency to remain improperly on the funds is connected with the fact that, in the words of one witness, the certificate of incapacity is a rigid thing. "A certificate of illness assumes that illness starts on "one day and finishes on another. Illness is the exact opposite; it comes on gradually "and declines gradually" (*Bond*, *Q.* 18,864). In various forms this difficulty has been advanced by medical practitioners in connection with this problem, or that of the tendency "to round off the week." It is admitted that there is a distinct inclination to outstay the correct period on the funds, but as it is expressed, "if a girl has anæmia, you cannot tell exactly when she is fit to do her work" (*J. E. Phillips*, *Q.* 35,489).

57. In addition to this unwillingness to bring the period of incapacity to an end, which occurs more particularly in the case of a long illness, there is a certain amount of evidence of an intention to get the most out of the Act, pointing rather to an over-keenness of business instinct than any attempt at dishonest practices. We are assured, for example, that "a good many people know when they have got a good thing on. This is the best 3*d.* worth or 4*d.* worth they have ever put their fingers on in their life and they are going to make all they can out of it" (*Frith*, *Q.* 8,703). It is, however, necessary to emphasise the fact that the insurance provided under the Act is an insurance against incapacity for work owing to sickness, or bodily or mental disablement, and that sickness benefit is not properly payable during periods of convalescence, which under the Act may be made the subject of an additional benefit in the event of a surplus being realised, and to lay stress on the further fact that sickness benefit is not payable merely on the ground that a period of rest would be "good for" the insured person. That sickness benefit is not intended to meet loss of wages through unemployment due to any cause other than sickness, and only then while that sickness continues, is self-evident.

58. As might be expected, however, the claims tend to excess in those cases in which the inexperience of the administrator, or his over-experience in bad methods, provide an inefficient machine, and, as is natural, a laxity on the part of the society leads inevitably to an excess of claims on the part of the insured member. It is impossible to lay too much stress on the fact that over-claiming on the part of even a very small proportion of the insured population may lead to grave deficiency. But it would be idle and extravagant to base upon such an experience as we have before us a general charge either of malingering or of greed, against the insured population generally.

The Existence of Illness previously unsuspected.

59. Even when complaining of the evils suggested in the preceding paragraph it is contended by many society officials that where claims are in excess of what was expected, the excess is primarily due to the existence, if not throughout the entire insured population, at any rate throughout certain classes and in certain grades, of "much more sickness than we have been conscious of" (*Macarthur*, *Q.* 11,398). In other cases secretaries of societies have expressed themselves as astounded by their realisation for the first time, on the coming into operation of the Act, of the kind of work done by women in certain occupations, and of the amount of sickness entailed by the conditions under which they live (*Daniels*, *Q.* 13,832–6). More especially with regard to women this view of the question is emphasised by those witnesses who have appeared before us, and have given evidence from a standpoint other than that of those engaged in the administration of the Act. By these witnesses it is contended that there is in fact more sickness than was expected when the Act came into operation (*M. Phillips*, *Q.* 38,817), and that the excessive sickness among married women is a common

experience due to illnesses connected with and consequent upon childbirth (*Bondfield*, *Q.* 40,421). The evidence of medical practitioners is overwhelmingly in support of the view that the effect of the Act has been to disclose, especially among industrial women, an enormous amount of unsuspected sickness and disease, and to afford treatment to many who have hitherto been without medical attendance during sickness (*Hodgson*, *Q.* 25,701; *Cox*, *Q.* 30,436; *Belding*, *Q.* 34,325). It may be permissible to quote the words of one witness practising in an area which would not ordinarily be regarded as unhealthy, "I thought I knew how much illness "there was in my neighbourhood, but I had no conception of the amount of real "illness that existed until I was brought in contact with it through the Act. . . . . "I had no idea that it existed, and was going unrelieved, and that people were "dragging along with such illness" (*Broster*, *Q.* 37,520-2).

Possibility of an ultimate Reduction in Sickness Claims.

60. Some hopes appear to be entertained that some of this disease, though of a nature to demand immediate treatment and to justify the statement that those who are suffering from it are incapable of work, will yield to treatment, and that within a time which may be foreseen but cannot be defined, there will result a healthier population and a diminished demand on the funds of approved societies. Already there are indications that as a result of the rest obtained under the Act a better condition of health has in certain cases been attained than has been experienced for many years. "They have been in bed for a month, and they say now that they have "never been so well in their lives" (*Burgess*, *Q.* 20,146; *Shaw*, *Q.* 6515). It is represented that in some of the cases treated the ravages of the past will never be repaired, although under the conditions now in force a further worsening may be prevented (*Burgess*, *Q.* 20,153–4), but that in other cases there will be a real recoupment, and that in time the general standard of health will tend to improve (*Burgess*, *Q.* 20,156; *Layton*, *Q.* 29,487). These anticipations are necessarily speculative, but they appear to be in accordance both with *à priori* ideas on the subject, and also with the facts disclosed imperfectly at our inquiry. Clearly, if young persons from the age of 16 go to the doctor, and obtain treatment when suffering from complaints which, if neglected, will impair their efficiency through life, the beneficial consequences which will result are almost incalculable; and even while admitting that some of those who have entered insurance at more advanced ages cannot hope to have restored to them that health which medical science might have preserved, further inroads may, at least, be prevented, and in the case of those suffering from less serious illnesses, a return to health may be anticipated. It may, however, be observed that, while this may ultimately result in a reduction of the sickness rate experienced, the tendency indicated could not for some time manifest itself in any improvement of the sickness experience of societies.

Danger of Development of Valetudinarian Spirit.

61. The chief danger in these circumstances appears to lie, not so much in any undue eagerness on the part of the insured to obtain benefits to which they are not entitled, as in a valetudinarian habit of mind which may be induced from over-attention to health and to disease. Medical practitioners who have appeared in evidence before us have repeatedly referred to the fact that in a large number of cases persons suffering from only trivial ailments have attended for treatment. They are said to come when "it would be much better if they did not" (*Devis*, *Q.* 39,837); "if they have a little scratch," they call at the doctor's surgery knowing "that they will meet their friends there" (*Layton*, *Q.* 29,238). One witness, in describing the trivial nature of much of the illness which he was called upon to attend, estimated that of the total number of insured men on his list 13 per cent. and of the insured women 10 per cent. have attended for trivial illnesses. (*Devis*, *Q.* 39,841). The tendency to unnecessary resort to the doctor's surgery for unimportant illness leads in some cases to requests to be put on the funds for minor illnesses, against which a considerable number of doctors have stated that they have to contend (*Belding*, *Q.* 34,181–9; *Richmond*, *Q.* 38,376). It is essential that the insured population should come to recognise clearly that the scheme of insurance set up under the Act is mutual, and that the fraud or over laxity of one will result in the impoverishment of all. The societies, as already stated, are self-governing, and

they can only remain successful on that basis if the interest of every member in their success can be roused and maintained, and if the high standard of honesty and mutual dependence, which was the great title to honour of the old friendly societies, can be continued in the work of the societies approved under the Act.

The Loss of the old Friendly Society Spirit.

62. It is said that in the past it was the pride of some friendly society members that they had never become a charge upon the funds of their society (*Webb*, *Q.* 28,059); it is even stated that many thousands of members never drew benefit out of the funds, and did not join the society with the intention of receiving benefit (*Johnson*, *Q.* 26,277). It is suggested that the old friendly society spirit was disappearing before the passing of the Act, and has now gone past recall, that as the various organisations grew, the intimate personal co-operation on which they were based tended to become weaker (*Hyner*, *Q.* 29,954–6), and that, under present conditions at least, the sentiment on which friendly societies were built is a dying spirit (*Hyner*, *Q.* 19,961). There has been a tendency for what was originally the expression of a bond of good fellowship, and a desire to help one another, to pass to some extent into a mere matter of business (*Johnson*, *Q.* 26,278). The active members have been fewer in number; the social side has not been so prominent as formerly (*W. P. Wright*, *Q.* 31,642–8). The evanescence of this spirit has brought with it a readiness to receive benefit whenever a case can be made out for being placed on the funds, and the natural desire and instinct of the medical profession, if it is to achieve success, is to deal with disease at the earliest possible moment at which it becomes apparent, and to secure for patients the opportunity of abstaining from work. But men and women being what they are, the risk will always be in the direction of leniency towards, rather than of sternness with, oneself. The fact that the scheme is now national in no way renders it possible to discard that spirit on which the success of friendly societies in the past was based, and if the success of the Act through approved societies is to be ensured, it will be necessary to revivify in the agencies now working the Act some part of that feeling of pride and independence which in the past has been the distinguishing mark of the relation existing between the friendly society and its members. It has been repeatedly represented to us that the intervention of the State has induced insured persons to look upon the fund as a bottomless purse. Such a view would be the ruin of any institution in which it was prevalent, and the privileges and advantages given by the Act cannot be secured unless those on whom they are conferred will do their fair share in preserving the fund upon which all depend. It is not intended to suggest by this that insured persons who are incapacitated should refrain from taking advantage of the benefits for which they have paid, but that in their dealings with the fund and with themselves they should recognise the mutual relations into which they have entered, and should learn to take a pride in just administration and the success of their society.

THE QUESTION OF EXCESSIVE SICKNESS CLAIMS VIEWED IN RELATION TO THE ADMINISTRATION BY SOCIETIES.

THE EXPERIENCE OF SOCIETIES.

63. In turning to the actual results experienced by societies, we must repeat that no precise conclusion can with safety be drawn from such incomplete figures as have been placed before us. These figures in many cases relate only to the earlier periods of the operation of the Act, when the general conditions were in many respects, and in many instances, abnormal, and, as already indicated, it is necessary, before any safe deduction can be drawn from the experience of any society, to take into consideration many factors, such as the age distribution of the membership and the status of the women members with regard to marriage. Bearing in mind these limitations, it may, nevertheless, be of some value to indicate briefly what has been the experience of various societies of different types.

General Average Figures.

64. In the first place, however, in order that the statements made by witnesses as to the expenditure of their societies on sickness benefit may be fully appreciated, it will be convenient here to state the general average figures, obtained from the actuarial

basis of the Act, on the assumption of a normal distribution of membership as to age and, in the case of women, as to marriage condition. It will be understood that the figures are not necessarily, or even probably, applicable to any particular society. They do no more than represent the expected average of claims upon all societies, calculated on a basis in which due regard has been paid to the differences of occupational risks found among the various constituent parts of the whole insured population. Up to October 1913, the average in the case of men was

For sickness benefit	2·12*d.*
For maternity benefit	·62*d.*
In all	2·74*d.*

From October 1913, the benefits were increased by the Amending Act, in the case of persons who had entered into insurance at ages over 50, and the average was thenceforward slightly increased.

In the case of spinsters and widows, the averages for the first nine months were respectively,

For sickness	1·50*d.*
For maternity	·04*d.*
In all	1·54*d.*

For married women in the period the same averages were :—

Sickness	2·94*d.*
Maternity	·12*d.*
In all	3·06*d.*

For all women taken together, and on the assumption that the married women were one in seven of the total, the figures in respect of the first nine months were,

For sickness benefit	1·71*d.*
For maternity benefit	·05*d.*
In all	1·76*d.*

It may be observed that the difference between the respective rates for single women and for married women is of special importance, in view of the variations to be found between different societies as to the extent to which married women enter into the total of their membership of women. Thus, in the case of a society where all the women are unmarried (and there are societies which approximate to this condition) the expectation of claims for sickness and maternity benefit would be little over 1½*d.* a week. On the other hand, in a society where as many as one-third of the women were married the expected claims in the same period would represent a sum exceeding 2*d.* a week.

Old Friendly Societies.

65. Taking, in the first place, certain of the old friendly societies, we find that in the Ancient Order of Foresters, the payments in the case of men and women combined, estimated on about half the membership, amount to about 2¾*d.* per member per week (*Hyner*, *Q.* 19,340). In the Manchester Unity, in the case of men, the weekly payments work out at 1·96*d.* per member, and in the case of women, at 1·95*d.* (*W. P. Wright*, *Q.* 31,598). In the case of the Duke of Bedford Lodge (men) of this Order, the experience for maternity and sickness benefit combined amounted to about 2¼*d.* (*Pearce*, *Q.* 6927) ; and taking other lodges which have been brought to our notice we find that the Thomas Collins Lodge (men), in the Manchester district, has an experience of under 2½*d.* per week per member (*Jones*, *Q.* 41,125), and in the Mabys Lodge (women), consisting almost exclusively of domestic servants, the experience is slightly over 1*d.* per week (*Lingstrom*, *Q.* 4156–7). In the Order of Druids, the average weekly cost of sickness benefit

per member per week in respect of branches comprising two-thirds of the membership of the society in England is given as 3·06*d.* in the case of men, and 2·97*d.* in the case of women (*Shaw, Q.* 6496). More detailed figures for various branches were given in this society, and showed a variation in the case of men from 3·64*d.* per member per week to 2·33*d.* per member per week, and in the case of women from 3·86*d.* per member per week to ·65*d.* per member per week (*Shaw, Q.* 6685). In most cases, however, the number of women in each branch was too small to enable any value to be attached to the figures. In the National Independent Order of Oddfellows the average weekly payment in the case of men was 2·591*d.*, and in the case of women 2·495*d.* (*Johnson, Q.* 26,229, 26,234). Taking the whole of the Order of the Sons of Temperance, the experience for the first six months of the working of the Act averages out in the case of men at 2·11*d.*, and in the case of women at 1·95*d.* per member per week (*Huntley, Q.* 24,956–8). Within the Order, however, the experience for the various districts shows wide fluctuations. Thus, the experience, expressed in pence per week, in the case of men, is in Barnsley 4·25, in Bishop Auckland 3·91, in Derby and the Midlands 3·87, in Lancaster 3·32, and on the other hand, in Birmingham and West Hartlepool it is 1·65 (*Huntley, Q.* 24,982–8). In the National Association Friendly Society the average cost per member during the first quarter was 2*s.* 7⅝*d.* for men, or 2·43*d.* per member per week, and in the case of women 2*s.* 1⅜*d.*, or 1·95*d.* per member per week (*J. Duncan, Q.* 3730). In the case of this society figures were submitted showing the variation in the experience of certain trade groups. While, owing to the comparatively small number of lives included in some of the groups, no inference can with any confidence be drawn from these figures, they possess some interest in furnishing an indication of the varying experiences of a given society in different trades. The figures represent the cost per insured person in the different groups calculated on a half-yearly basis, and among the male groups the following may be taken: copper-workers, 4*s.* 7*d.*; engineering and building, 4*s.* 8*d.*; dock labourers, 4*s.* 8¼*d.*; general labourers, 4*s.* 8½*d.*; agricultural labourers in certain areas, 4*s.* 9½*d.*; bootmaking, 5*s.* 1*d.*; hatters and cotton operatives, 5*s.* 4*d.*; fishermen and farm labourers (combined occupations) 5*s.* 6½*d.*; carmen, 5*s.* 7*d.* Among women "domestics and mixed occupations" work out at 4*s.* 7*d.*, but this represents variations in three districts of 2*s.* 9*d.*, 3*s.* 6½*d.*, and 8*s.* 2*d.*; the figure for domestic and laundry workers is 8*s.*, and for a group consisting of gloveresses, employees in the hosiery trade, and tobacco workers, the half-yearly cost is given as 4*s.* 10½*d.* (*J. Duncan, Q.* 3744–58). Among other friendly societies mention may be made of the Royal Oak Benefit Society, to which reference has been made in connection with the adoption of a compulsory scheme under Section 72, where the experience for sickness benefit in men is 1·7*d.* per week, and in women 1·86*d.* (*Dyer, Q.* 23,594), and the Catholic Friendly Societies Association, where for the first nine months the cost of men's sickness benefit amounted to 2·08*d.* per member per week, and of women's sickness benefit, 2·88*d.* (*Rigby, Q.* 26,693).

Women's Friendly Societies.

65. Taking next a group of women's friendly societies we find that the experience of the Order of United Sisters, Suffolk Unity, amounts for the first nine months to a weekly expenditure for sickness and maternity benefit combined of 1·7*d.* per member (*Pearce, Q.* 6108–10), and in the case of the York Female Friendly Society the amount spent in sickness and maternity benefit per week is 2·295*d.* per member (*Gray, Q.* 5406). In another woman's society, the Domestic Servants Insurance Society, the weekly rate of payment for sickness benefit falls as low as ·981*d.* per member (*Gordon, Q.* 2349).

Rural Federations.

66. Reference may next be conveniently made to the experience of certain federations or groups of societies operating in rural areas. In the Lancashire Federation of Friendly Societies, the cost of sickness benefit per member per week was in the first quarter in which benefits were payable, 1·641*d.*, and in the second quarter 1·784*d.* (*Blundell, Q.* 1489). In the Bedfordshire United Society the experience for the whole membership, men and women, for sickness and maternity benefit amounts to 2·94*d.* per member per week (*Hartop, Q.* 22,254). The detailed experience of the various societies comprised in the Bedfordshire United Insurance Society is printed as an appendix to the evidence given before the Committee, and even allowing for the heavy

drain made on the funds of a small society by a single serious case of illness, the difference in the rates experienced by the various societies is instructive as exemplifying the variations due to administrative and other causes, which may be found in societies apparently similarly situated. In the case of the National Insurance Association for the Eastern Counties, the total experience for the first half-year in respect of men works out at 3,900 weeks benefit as against 4,600 expected on the financial basis of the Act (*Dixon, Q.* 39,553).

Trade Unions.

68. Turning to trades unions and societies more intimately connected with particular industries, we find that in the Amalgamated Association of Card and Blowing Room Operatives, a society with a predominating membership of women, the cost for the first quarter in respect of women members only, was 3·18*d.* per member per week, in the second quarter 2·88*d.*, and in a period covering the greater part of the third quarter 2·51*d.* (*Sanderson, Q.* 217-9). In the Amalgamated Weavers Association, for the period covered by the first six months' payment of benefits, the cost of sickness and maternity benefit combined was, in the case of men, 2·53*d.* per member per week, and in the case of women, 3·47*d.* per member per week (*Thomas, Q.* 4285). This society also shows instructive variations between the various districts, for whereas the average amount paid to women members throughout the whole society for the six months amounted to 7*s.* 6¼*d.*, the expenditure in the districts ranged from 12*s.* 11¼*d.* at Barnoldswick down to 4*s.* 3*d.* at Todmorden (*Thomas, Q.* 4296–4300). In another society, the Bristol Cotton Works Health Insurance Society, in which the women membership greatly predominated, and which has since transferred its engagements to another society, the payment to men in respect of sickness and maternity benefit amounted to 1⅞*d.* per member per week, while the total payments to women were at the rate of 4⅛*d.* per member per week. Taking the married women alone in this society, the total weekly payment for sickness and maternity benefit reached 7·33*d.* per member, and for sickness benefit alone 5·46*d.* The sickness benefit for the whole of the women's section per member per week averaged 3·37*d.* (*Clayton, Q.* 3042–3). In the Independent National Union of Boot and Shoe Women Workers the figures given as to the society's experience indicate a rate during the first quarter of approximately 2½*d.*; in the second quarter approximately 5*d.*, and in the third quarter approximately 5¼*d.* per member per week (*Willson, Q.* 5804–7). In the Health Insurance Section of the National Amalgamated Society of Male and Female Pottery Workers the figures given denote a weekly rate in the case of men of 2·6*d.* and in the case of women 4·1*d.* per member for sickness benefit (*Hollins, Q.* 2081).

69. The figures relating to the experience of the General Federation of Trade Unions for National Insurance and Friendly Society purposes are again of interest as an indication of the varying rate of claim in different trades. In this organisation the dockers received in respect of sickness benefit during the first quarter 10·8*d.* per member, and in the second quarter 2*s.* 2·8*d.*; the cigar makers cost 3*s.* 6·2*d.* in the first quarter, and 3*s.* 8·7*d.* in the second; while the women in the same trade cost only 1*s.* 3·8*d.* and 2*s.* 0·4*d.* in these two quarters. In the case of the hosiery workers in Ilkeston the women again received much less sickness benefit than the men, the figures in the case of men for the two quarters being 3*s.* 0·8*d.* and 4*s.* 11*d.* and in the case of women 1*s.* 0·8*d.* and 1*s.* 11·8*d.* The Bristol Labour Amalgamation, consisting chiefly of river-side workers, cost for men 2*s.* 3*d.* and 2*s.* 11·5*d.* in the first two quarters, while the cost for women was 5*s.* 6·5*d.* and 7*s.* 9*d.* In contrast with these may be mentioned the musicians, costing for men in the first two quarters 10·2*d.* and 1*s.* 3·8*d.*, and for women 2*s.* 3*d.* and 1*s.* 11·4*d.*, and the tailors costing 1*s.* 6·7*d.* and 1*s.* 4·7*d.* in the two quarters for men, and 1*s.* 2·6*d.* and 2*s.* 4·7*d.* for women (*Appleton, Q.* 11,615–6).

70. The figures for the National Federation of Women Workers also show considerable variations in its different branches. For the first three quarters in Great Britain, the cost for sickness benefit per member per week amounted to 1$\frac{13}{16}$*d.*, 2$\frac{7}{16}$*d.*, 2$\frac{1}{16}$*d.* The corresponding figures in England for the local branches of this organisation are 2⅛*d.*, 3⅜*d.*, and 3*d.*, and for the branch worked from headquarters 1⅜*d.*, 1¾*d.* and 1½*d.* Among the higher experiences in this society may be mentioned the Cradley Heath branch where the members are engaged in chain making and where the figures for the three quarters, on the basis given above, are 2½*d.*, 5⅜*d.*, and 5*d.*; the Acton branch

consisting of laundresses, with a weekly experience per member during the three quarters of 3*d.*, 5½*d.* and 5½*d.*, and the Halstead branch, consisting of silk weavers, with an experience for the three quarters of 3¼*d.*, 4⅛*d.*, 2¾*d.* At the other extreme of this organisation may be mentioned the Edmonton branch with an experience in the three quarters of 1¼*d.*, 1½*d.*, and 1¾*d.* (*Macarthur*, *Q.* 11,366–71).

71. Taking other trade unions, we find in the United Society of Boiler Makers and Iron and Steel Shipbuilders an experience during the first three quarters representing a rate per member per week of 2·94*d.* for sickness benefit (*Barker*, *Q.* 8340); in the Durham Miners Association, for a period covering approximately the first 15 months of the operation of the Act, the sickness experience was 5·81*d.* per member per week (*Whiteley*, *Q.* 35,145); in the Amalgamated Society of Tramway and Vehicle Workers the experience, until more stringent measures were recently taken, was over 4½*d.* per member per week (*Jackson*, *Q.* 36,494); in the National Amalgamated Union of Labour the figures per member per week for the four quarters of 1913 were 2·17*d.*, 2·67*d.*, 2·46*d.*, and 3·37*d.* (*Bell*, *Q.* 40,729). In the Amalgamated Union of Co-operative Employees the payments to men, for sickness benefit and maternity benefit combined, for the first six quarters per member per week are: 1·82*d.*, 1·70*d.*, 1·21*d.*, 2·29*d.*, 1·79*d.*, 1·93*d.* and to women 1·61*d.*, 1·95*d.*, 1·55*d.*, 1·95*d.*, 1·55*d.*, 1·51*d.* (*Davies*, *Q.* 35,985–8).

Societies connected with Industrial Insurance Companies.

72. Taking next certain illustrations of the experience of approved societies connected with collecting societies or industrial insurance companies we find that in the Liverpool Victoria Approved Society the cost of sickness and maternity benefits in the case of men amounts to 2·317*d.* per member per week, and in the case of women to 2·54*d.* per member per week (*Peters*, *Q.* 1690). In the Prudential Societies the experience varies considerably; in the men's general society the payments in respect of sickness benefit amount to 1¾*d.* per member per week, but in the miners' society they reach 3½*d.* (*Barrand*, *Q.* 5179–60). In the general women's society the payment per member per week is 3*d.*, but in the Domestic Servants Society the cost falls to 2*d.*, and in the Laundresses society it rises to 4*d.* (*Barrand*, *Q.* 5184–5251–2). In the National Health Section of the Royal Liver Friendly Society, the payment for the first three quarters in respect of men in all four countries were given as 25,000*l.*, 28,200*l.*, and 24,500*l.*, against a normal actuarial expectation of 28,000*l.*, 28,600*l.*, and 29,600*l.*, thus showing a surplus on each quarter if the Society is normally constituted; in respect of women the figures for the same period were 14,000*l.*, 20,800*l.*, 18,000*l.*, against expectations of 11,400*l.*, 11,400*l.*, and 10,000*l.* (*Lamacraft*, *Q.* 9853).

Other Societies.

73. We have already referred in another connection to the experience of the Tunbridge Wells and South Eastern Counties Equitable Friendly Society, which showed a weekly expenditure per member of 1·45*d.* for men and 1·61*d.* for women (*Saunders*, *Q.* 9550). In the Ideal Benefit Society, which also operates on a system differing from that of the ordinary friendly society, the weekly experience for the first three quarters in respect of sickness and maternity benefit was for men slightly under 2*d.* a week and for women 2 1/16*d.* per week (*Daniels*, *Q.* 13,818). In the Insurance Section of the Co-operative Wholesale Society the cost for sickness benefit per member per week is in the case of men 1·56*d.* and in the case of women 1·98*d.* (*Smith*, *Q.* 13,390).

CAUSES OF VARIATION IN EXPERIENCE.

Obscurity of Causes for Local Variations.

74. Apart from the fact that these results are in many cases fragmentary, and relate to periods of different duration, the varying experiences of societies indicated above are of such a nature that no ready generalisation suggests itself in explanation of the favourable or unfavourable experience. For the purposes of any generalisation it is, however, obvious that a line must be drawn between men's societies and women's societies, and that, in the case of societies which admit both sexes to membership, their experience with regard to men and women must be considered separately. Clearly the variations between societies are in no way dependent on the type of society

considered, and none of the great classes into which approved societies are usually divided presents either a universally good or a universally bad experience. Further within the same society there may be extreme variations in the sickness rate as in the case of the Sons of Temperance, where, as we have seen, the weekly rate of payment to men varies from 4·25*d.* in Barnsley to 1·65*d.* in West Hartlepool (*Huntley*, *Q.* 24,982–5). Moreover, violent variations in the experience may occur in districts which are adjacent, and between which there is no obvious difference in economic or industrial conditions. Such an example may be found in the different rate experienced by the Amalgamated Weavers' Association in Barnoldswick and Todmorden, where the explanation given was that in the one case the secretary has given more latitude to members than should have been allowed, whereas in the other case the secretary had had past experience as an official of a friendly society (*Thomas*, *Q.* 4297–9). Where there is nothing in the local conditions to account for these variations, they must be attributed to defects in one or other of the agencies co-operating in working the Act; that is, they must be due to the action of the doctors, the insured persons themselves, or the officials or agents who are acting on behalf of the Approved Society.

Influence of Doctors in producing Local Variations.

75. From this point of view the possible influence of the action of the doctors need not be discussed at length at this stage, since any consequences which may arise from defects in the medical part of the machinery of the Act are likely to manifest themselves generally in the results obtained throughout the country, and, while these defects may contribute to a generally heightened experience, they cannot so cogently be adduced in explanation of varying rates of expenditure in different districts or lodges. The possibility of this being a contributory factor must not, however, be overlooked entirely, since there are cases where a large proportion of the members of the society, lodge or district are in fact receiving medical attendance from one doctor. In such circumstances the idiosyncrasies of the medical practitioner may weight the experience of the lodge when compared with the experience elsewhere. In one case brought before us, a society attributed a large part of its heavy experience to the undue leniency of the practitioner on whose list most of the members were (*Clayton*, *Q.* 3164), and in rural areas where most of the members of a lodge may be on one doctor's list, the comparative experience of two lodges may be affected by the fact that some doctors have a more generous idea than others as to what sickness benefit means (*Devis*, *Q.* 39,980) and also by the fact that, while some doctors have had previous knowledge of friendly society work, others have only acquired experience of it since the Act came into operation.

Influence of the Insured Persons in producing Local Variations.

76. A more potent influence in producing local variations within the same society is probably to be found in the insured persons themselves. The work of sickness insurance in the past has grown up on a voluntary basis, and there has been nothing to coordinate the principles which have developed in different trades or in different parts of the country. It is, therefore, natural that there has been no uniform convention as to the degree of incapacity necessary to justify a claim for sickness benefit. As an example of this, the general attitude of the mining population may be cited. Although a certain amount of choice was in time vested in the workmen, the doctor was originally employed by the mine-owner to look after the health of his employees and remunerated by a deduction from wages made under the Truck Act (*Charles*, *Q.* 20,751), and the doctors engaged in certification looked at the matter largely from the point of view of the employer, in whose interest it was that no one should return until completely fit for the day's work (*Q.* 20,759). Further, owing to the fact that in many cases in the mining industry the wages earned depend not merely on the workman's individual exertions but also on the exertions of those with whom he is working, the miner himself did not desire to return to work, nor was he welcomed by his fellows until he was in a position to contribute his full share of the common output (*Cann*, *Q.* 35,251). Hence, we have evidence that in the Durham coalfields the conception of what constitutes incapacity for work differs from that adopted elsewhere, and that certificates have been, and still are, granted where the insured person may be capable of hard work, but is not capable of working at the particular "cavil" on which he had been engaged (*Charles*, *Q.* 20,411–20,414; *Whiteley*, *Q.* 35,269; *Cann*, *Q.* 35,270).

A system has been evolved in which a certificate for incapacity is granted in any case where a man is not merely unable to perform his ordinary work, but even where he is unable to produce his average output (*Charles*, *Q.* 20,726; *Whiteley*, *Q.* 35,304; *Cann*, *Q.* 35,227).

77. The influence of this view may be traced in the uniformly high rate experienced wherever miners are concerned, a rate which is much in excess of what should be found even on the assumption that mining is an abnormally unhealthy occupation. Thus, the two highest rates in the Sons of Temperance, already quoted, occur in the Barnsley and Bishop Auckland districts, where the membership consists almost exclusively of miners; and it is said that the rate in those portions of the Newcastle district which comprise a mining membership is as high as in the other districts mentioned, although the presence of a town population in the same district obscures the fact and reduces the rate for the whole area to a lower level (*Huntley*, *Q.* 24,990). In the case of the Sheffield Equalised Independent Druids, again, it has been found that the miners, who form 30 per cent. of the membership, have been throughout a source of weakness to the Society on the private side (*I. Wright*, *Q.* 21,580), and that, although the rates of contributions in respect of miners have been raised more than once, this has been ineffective to prevent an undue drain being caused by this section of the membership. It is true that it is difficult to estimate what allowance should be made for the miner's abnormal risk of accident, for which sickness benefit has always been paid on the private side.

Administrative causes for different experiences in the same Society, or in different Societies.

78. In considering the extent to which administrative causes may operate in producing inequality of experience between different branches of a society, it is scarcely possible to avoid dealing with the whole question of the manner in which the system of administration adopted by societies may contribute to improper claims. Efficient central government and efficient local administration are alike essential to the successful working of the Act, and weakness in either, or disharmony in their relations, will lead to failure which, according to the circumstances, may manifest itself throughout the whole society, or throughout particular branches only. In the past, as is natural, it has been found that a loose view among the members of the right to benefit has been concomitant with the worse types of administration. On the other hand, it is not possible to specify any type of administration as being the most efficient. As the character and distribution of the membership of societies is variable, so also must the methods by which it is sought to achieve efficiency be variable. It would be unnecessary, and, indeed, impossible, to give any detailed account of even a very small proportion of the types of administration found in societies, but it may add to an understanding of some of the complexities involved in the problem before us if some characteristic types are briefly indicated.

Example of Representative Types of Government of Approved Societies.

79. Taking first the Manchester Unity as an example of the great affiliated orders, the lodge is the self-governing unit in the society (*W. P. Wright*, *Q.* 31,436). The lodge is attached to a district, the district organisation having been formed primarily for the purpose of spreading funeral benefit over a larger number of persons than would be comprised in a lodge. The district is governed by periodical district meetings consisting of representatives of the lodges comprising the district, elected on a proportional basis according to the number of members in each lodge. The districts in turn elect deputies to the annual moveable conference, and this body elects the grand master, the deputy grand master and the board of directors. While the decision of the conference is binding on all lodges, the lodge is nevertheless self-governing in nearly every respect and responsible to no higher authority for its actions (*W. P. Wright*, *Q.* 31,521; *Jones*, *Q.* 41,112). In all ordinary matters it is a sovereign body, subject in certain cases to persuasion (*Jones*, *Q.* 41,400; *Lingstrom*, *Q.* 41,683); but ordinarily unfettered in its discretion, and so long as it avoids mismanagement, free from any danger of interference (*W. P. Wright*, *Q.* 31,475). In such a system of administration, the lodge is the unit for valuation purposes, and, subject to the provisions of Section 39 of the Act, is required to bear its own deficiencies or is entitled to enjoy its own surpluses.

80. The Order of Druids Friendly Society may be taken as an example of a somewhat different system. Here also there are some self-governing lodges. The bulk of the membership is, however, in "centralised districts" consisting of unregistered

lodges. The contributions of all the members in the district are pooled and the lodges act as agencies to collect the contributions of the members and to distribute the benefits. The effect is thus to equalise the risk over a large area (*Johnson*, *Q.* 6595–97) but to leave the control of expenditure in the hands of local agencies which draw their funds from a common pool.

81. In the Order of the Sons of Temperance the branches are grouped in areas, and formed into consolidated districts, the administration of each of which is vested in the district management committee. The returns from the branches comprised in each district are scrutinised weekly by the district secretary and committee, as are also the sick certificates and payments, and the branches are employed as receiving and distributing agencies. In view of the responsibility of the whole order in any case of deficiency shown on valuation, the central body periodically reviews the expenditure (*Huntley*, *Q.* 24,780–2, 24,793, 24,799).

82. In the Rational Association Friendly Society we find much more centralisation; the branch secretaries are nominated by the branch committee, and appointed by the board of management (*J. Duncan*, *Q.* 3859) and the benefits are paid out of a central fund administered by the local branches, which have no funds of their own but are simply agents for the central fund; the effect being that while the local lodges are responsible for the supervision of the sick members, they are not responsible for finding the money which goes to the sick members (*J. Duncan*, *Q.* 4016–9).

83. Taking an example from the smaller friendly societies the Royal Oak Benefit Society, while retaining centralised funds, have recently introduced district administration. Applications for benefit are first considered by the District Committee, but before payment, are forwarded to the central office where they are checked, and remittances are sent to the district secretary each week, after authorisation for payment of the claims (*Dyer*, *Q.* 23,560–6).

84. An example of an entirely different scheme of government is furnished by such a society as the Lancashire Federation of Friendly Societies, comprising 61 branches, many of which were operating as Friendly Societies, registered or unregistered before the passing of the Act (*Blundell*, *Q.* 1394–6). The governing body of the whole is the Executive Council elected by the Council of Wardens, who again are elected by meetings of the various branches (*Blundell*, *Q.* 1493–4). Somewhat similar in origin is the Bedfordshire United Insurance Society, where, however, the constituent parts are not branches in the technical sense, but carry on the work locally (*Hartop*, *Q.* 22,239–42), without any active supervision; the duty of the Head Office being confined to advising on technical points and keeping the books, the funds being centralised (*Hartop*, *Q.* 22,270). In such cases, there is necessarily a varying tradition in the different branches based on their previous independent existence, and the management is virtually left to the various units subject to advice and assistance from the centre (*Hartop*, *Q.* 22,306–8).

85. The Hearts of Oak Benefit Society has an insured membership approaching half a million men and women, and has for years carried on the work of sickness insurance without any local machinery by means of the post. The Committee regret that, as this Society were not in a position to supply such definite information as would enable them to give evidence, the Committee are precluded from discussing in detail the results attained since the Act passed in adapting the previous machinery of the Society to the altered circumstances.

86. A few examples taken from among the Trade Unions will sufficiently indicate the equally great variety of types of administration to be found in this class of Approved Society. In the case of the Amalgamated Association of Card and Blowing Room Operatives a process of centralisation has been adopted (*Sanderson*, *Q.* 287), and the local committees contemplated in the constitution of the Society have been suspended (*Q.* 291). The local agent forwards claims to the head office and a decision is arrived at technically by the managing committee, but in actual practice by the secretary (*Q.* 77; 106–7). The administration of this society is based on the view that State Insurance is best administered on purely business lines by paid officials (*Q.* 290).

87. The Amalgamated Weavers' Association, again, comprises 36 agencies (*Thomas*, *Q.* 4136), each of which is governed by a secretary and a committee elected by the trade union members, whether insured members of the society or not, and primarily for the government of the trade union (*Q.* 4142). The supervision of the sick members in the larger districts is entrusted to sick visitors appointed by the districts, but 19

of the smaller districts are grouped together and supervised by visitors operating from headquarters (*Q.* 4169–70). The claims for benefit are dealt with directly by the local committee without being forwarded to headquarters at Accrington (*Q.* 4140).

88. In the United Society of Boiler Makers and Iron and Steel Ship Builders the organisation is based on branches (*Barker*, *Q.* 8308), the secretaries of which pay claims without reference to headquarters (*Q.* 8420). At the end of each week returns are submitted to the head office which scrutinises the claims (*Q.* 8421), advises the branches, and makes such inquiries as may be necessary (*Q.* 8424).

89. In the Health Insurance Section of the National Amalgamated Society of Male and Female Pottery Workers, the lodges exist merely for the purpose of collecting the contributions and sending them to the central office (*Hollins*, *Q.* 9051). The claims for sickness benefit may be sent either direct to the head office or through the sick steward (*Q.* 9169), and the head office on being satisfied of the propriety of the claim, forwards the money to the Sick Steward for personal payment (*Q.* 9171–5).

90. The constitution of the General Federation of Trade Unions for National Insurance and Friendly Society Purposes has this peculiarity, that it consists not of geographical branches (*Appleton*, *Q.* 11,705), but of Trade Unions in existence at the time of the passing of the Act (*Q.* 11,596), many of which again have branches throughout the country. A claim for sickness benefit is presented to the local official, who forwards it to the secretary of the constituent trade union. The union is the authority for settling the validity of a claim, although in doubtful cases it may be submitted to the headquarters of the General Federation (*Appleton*, *Q.* 11,689–91).

91. The Amalgamated Union of Co-operative Employees is representative of the centralised type of administration. Every claim goes through the head office before it is either admitted or paid. Although there is a set of officials for each branch, the secretary of the branch really acts as an agent, and the branch officials and the branch agent have little to do on the insurance side. At the head office there is an executive council of 18, elected by all the members of the organisation, which meets once a quarter, but in the intervals between the meetings, the officials do all the work at headquarters (*Davies*, *Q.* 36,013–9).

92. In the National Amalgamated Union of Labour the local branches make an application to the head office from week to week for what they require, based on the amount required for the previous week. The head office does not control the claims and does not see them until after they have been paid (*Bell*, *Q.* 40,753–5).

93. Taking, lastly, as an example of administration one of the societies promoted in connection with the Industrial Insurance Companies, in the National Amalgamated Approved Society, the claimant for benefit communicates with the local agent, who furnishes a declaring-on note and after inquiring into the case, sends it to the superintendent (*Jefferson*, *Q.* 7265). Apart from exceptional cases in outlying districts, where the agents may have power to admit the claim, the responsibility for admitting it rests with the superintendent, all special cases being referred by him to the central office.

Possible Abuses in Multiplicity of Types of Government.

94. These examples of types of administration have been briefly indicated in illustration of the great danger that in the multiplicity of systems of government, with varying degrees of licence allowed to local officials, abuses may arise in the administration of the Act leading to the admission of improper claims or the rejection of just ones.

95. We have received evidence of a variation of practice among societies on the following points amongst others :—

(*a*) Payment of sickness benefit to unmarried women during pregnancy (*Sanderson*, *Q.* 566–9 ; *Tuckfield*, *Q.* 920 ; *Peters*, *Q.* 2145 ; *J. Duncan*, *Q.* 4073–6 ; *Thomas*, *Q.* 4657 ; *Shaw*, *Q.* 7065 ; *Frith*, *Q.* 9037–8 ; *Lamacraft*, *Q.* 10,442 ; *R. Smith*, *Q.* 12,408 ; *Daniels*, *Q.* 13,888 ; *Huntley*, *Q.* 24,861 ; *Johnson*, *Q.* 26,324 ; *Rigby*, *Q.* 26,808 ; *W. P. Wright*, *Q.* 31,880–2 ; *Wilson*, *Q.* 41,062–4) ;

(*b*) The penalty exacted for breach of rules, some fining and some suspending from benefit in these cases (*Sanderson*, *Q.* 525–9, 592–7, 770–4 ; *Shaw*, *Q.* 6861, 7024 ; *Jefferson*, *Q.* 7570 ; *Frith*, *Q.* 8975 ; *Lamacraft*, *Q.* 10,432) ;

and it would appear that these variations must affect the experience of societies with regard to excessive claims.

Reflex Action of Activity of Approved Society on Private Side on its Position as an Approved Society.

96. Further, apart from any question of looseness arising from irregularity in administration, it is necessary to notice the suggestions that the administration of the National Insurance Act is liable to be affected by the fact that a considerable number of the organisations engaged in it are either engaged in other work, or are connected with bodies which are so engaged. There is thus a possibility that the action of such a body in administering the Act may be influenced by considerations of the reflex action which its conduct as an approved society may have on its prosperity in its other capacity. Thus, in the case of a trade union, the first liability of an official is to the trade union (*Appleton*, *Q.* 11,647). Some trade unions, we are told, took up insurance work partly in self-defence, in order to keep their connection with their members intact (*Bell*, *Q.* 40,843). Such an attitude may result in laxity in the administration of the Act by creating a tendency towards leniency towards those who are members of the organisation on its private side. There is a danger lest the fact that the member is a good trade unionist may consciously or subconsciously influence the consideration of his claim for sickness benefit (*Bell*, *Q.* 40,791). A similar danger has been stated to exist in the case of societies promoted by industrial insurance companies. Here also competition has urged them in self-defence to undertake the work of insurance under the Act, if they are to avoid other organisations cutting into their private work, and, on the other hand, when they have embarked on this undertaking, any mistakes that may be made will react unfavourably on the private activities of the organisation (*Lamacraft*, *Q.* 10,475-6), and it has been frequently suggested to us that the agent of industrial insurance societies is urged to an attitude of undue leniency to the insured person with whom it is necessary that he should live on amicable terms, if he is successfully to carry on his ordinary insurance business. Such allegations and suggestions are difficult to test and impossible to refute.

Centralised Funds and Local Administration.

97. In indicating some of the types of administration to be found among approved societies, it was pointed out that in some cases a system of centralised funds co-exists with local administration. Such a system invites laxity in the admission of claimants to sickness benefit, since the officials who admit the claim have no responsibility in finding the money to meet it. The tendency which must always exist locally to admit the claims of one's neighbours is under no check; and extravagance in each area is thus encouraged, since if there is over-spending in any particular locality, the consequence will be shared over the whole society (*J. Wright*, *Q.* 21,661).

Periodical Proof of Incapacity.

98. With regard to the requirement of periodical medical evidence of incapacity, there has also, in certain cases, been considerable laxity.

99. We have had brought to our notice one case, where in the early days of the operation of the Act no continuing certificate was required, and where, in effect, any one declaring on the funds remained in receipt of benefit until he chose to declare off (*Mander*, *Q.* 21,727–39), without furnishing in the meantime any evidence of the continuance of his incapacity. In another case fortnightly certificates were for a time forwarded to the head office, who restricted their supervision to ascertaining that the amount of money to be forwarded to the local secretary corresponded with the number of claimants for benefit (*Whiteley*, *Q.* 35,164–85). In the case of one of the large affiliated orders, the evidence would appear to indicate that in 674 out of 3,000 lodges, certificates are not furnished weekly. (*W. P. Wright*, *Q.* 31,518).

Sickness Visitation.

100. There is also considerable diversity of practice in approved societies in regard to the arrangements for the visitation of the sick. Some system of visiting has in the past been adopted by all the older friendly societies, and so much importance is attached by certain witnesses (*J. Duncan*, *Q.* 3894; *Hyner*, *Q.* 19,481; *Fletcher*, *Q.* 21,546; *Scarlett*, *Q.* 23,196; *Hodgson*, *Q.* 25,907; *Flather*, *Q.* 36,989; *Crisp*, *Q.* 39,037) to the results of an efficient system, that in their view it is the only adequate check on improper claims being made on the sick fund. (*Wigglesworth*, *Q.* 17,985). In most cases in the past the visitors have been members of the society, often acting in rotation, and frequently a small payment has been made to them in respect of their services, which generally included the payment of benefits. Under present conditions, it is agreed that in order that any system of visiting should be efficient, the visits of the steward who pays the benefit must not be the only visits, and that the system of visiting must include surprise visits (*Poulton*, *Q.* 10,697; *Bennett*, *Q.* 16,381). There

is, however, a certain body of opinion that the members of societies are not so ready voluntarily to undertake the duties of sick visitors as formerly, basing their objection on the ground that as the insurance scheme is a national one, it should devolve on the Government to protect what they wrongly consider to be Government funds. (*Appleton, Q.* 11714–7). The organisations which are now engaged in the business of health insurance for the first time have not in the past had any occasion to employ sickness visitors, but some of these have appointed visitors since the Act came into operation, and have extended their system in the light of the experience gained (*Barrand, Q.* 4900–4927, *Jefferson, Q.* 7336–7373). In many cases, however, it is clear that the arrangements for sickness visiting are incomplete and slow in coming into operation. Thus in some societies it is apparently possible for the insured person to receive a fortnight's sick pay before the claim is checked by a sick visitor (*Peters, Q.* 1868); in other cases the visiting in certain areas is admittedly haphazard (*Gordon, Q.* 2368). Visiting of sick members by their fellow members may lead to reciprocal leniency, and this is one of the underlying causes of a general tendency to replace amateur sick visitors by full-time officers, less exposed to the temptations of friendship. Where the older system of visiting by members is maintained it has been found desirable that the visitors themselves should be subjected to the criticism and scrutiny of the members generally (*Barker, Q.* 8437).

101. A further drawback to sickness visitation by members of the society is that, to a large extent, such visiting can only be carried out during the hours in which the visitors are not engaged in their ordinary occupations, and the influence of this consideration may in certain cases be traced in the substitution for the ordinary sick stewards of a number of whole-time officers (*Hollins, Q.* 9177). In some cases the efficiency of the particular system adopted by the society is further impaired by the limitation that sick visiting is not carried out beyond a radius of three miles from the agency (*Saunders, Q.* 9643). Another defect which has been urged against the ordinary sickness visitor is the comparative uselessness of his reports. He is an unskilled person, and his report takes the form of a statement that the insured person is very bad or better than he was—reports which are of little value owing to their vagueness. To meet this difficulty, one society has adopted the expedient of supplementing the ordinary sick visitors by special visitors who pay the first visit and give a detailed account of the state of the insured person (*Daniels, Q.* 13,911). Another society has adopted a system of special sick visitors, who consist of members of the general committee of the society, to visit in cases where, on examination of the papers connected with the claim, it appears that a special visit is necessary (*Dyer, Q.* 23,695–9). In the case of the affiliated orders the system of sickness visiting adopted is largely a matter for the branch, and it is probable that the standard of efficiency in different branches varies. There are thus cases where women members are visited "by lady sick visitors when convenient," or where "members are visited once a week. The sick visitor pays benefit at the same time (Saturday afternoon and evening)" (*W. P. Wright, Q.* 31,701–31,704). Any system of visiting in which the hour of the coming of the sick visitor can be foretold is nugatory so far as ensuring compliance with the rules of the society is concerned.

102. In contradistinction to the mass of evidence as to the value of sick visitors, it is necessary to note that one representative of an approved society, which made extensive use of a system of medical refereeing, disavowed his belief in the efficiency of any system of sick visitors as an aid to reducing the claim rate (*Lamacraft, Q.* 10,050–6). This, however, is but an isolated opinion, based in part on a misapprehension of the functions of the sickness visitor, and cannot be placed against the view evolved by long experience of the administration of sickness benefit that sick visitation plays a potent part in restricting the volume of claims for sickness benefit. Generally there is reason to believe that in many cases sick visitation tends to be spasmodic, incomplete and restricted to certain hours when it is easy for the sick man to assume the sick manner. There is little doubt that the absence of an efficient system of sick visitation on the part of societies has frequently been a contributory cause in leading to the admission of improper claims.

Alleged Interference by Sickness Visitors.

103. There is, further, reason to believe that in a certain number of cases the sickness visitor exceeds his proper functions and directs his attention to matters which are outside his province, and the result has been to create in the minds of many members of the medical profession a feeling of irritation with regard to the methods of sick visitors. A considerable number of cases, which the Committee had no opportunity

of testing, were adduced by medical practitioners (*Claydon*, *Q.* 22,998) in support of the view that sickness visitors are "interfering persons who often go beyond "their province, and either make a diagnosis themselves, or offer criticisms on "the doctor's diagnosis and treatment" (*Marsh*, *Q.* 32,805). Thus in one case where a woman of 64 suffered from rheumatism, at first in her hands, and later in her feet, the doctor informed us that "the sickness visitor called and suggested that the "patient was fit for work as her hands were better. The patient told her that her "feet were bad. The sick visitor demanded to see her feet. She saw them and "advised the patient to see another doctor as the feet were very swollen and the patient "looked very ill with dropsy" (*Devis*, *Q.* 40,045). Cases of this nature have also been reported to Insurance Committees (*Parrott*, *Q.* 21,414). There is a considerable volume of evidence that certain members of the medical profession would welcome the assistance of properly trained and discreet sickness visitors (*Cox*, *Q.* 30, 852*a*; *Divine*, *Q.* 33,216), but a visitor who exceeds his proper functions ceases to be of any real service to the society on behalf of which he is acting, and becomes a source of danger to the smooth working of the whole scheme.

Transfers between Societies.

104. It is necessary to notice the complaints made by some witnesses (*Shaw*, *Q.* 7156; *Macarthur*, *Q.* 11,588; *Smith*, *Q.* 13,785; *Daniels*, *Q.* 14,045; *Johnson*, *Q.* 26,607) of the working of the system of transference of members from one society to another. The Act directs the passing of a transfer value when a member so transfers, except where the society which he is leaving proves that the insured person voluntarily ceased to be a member without the consent of the society, and that that consent was not unreasonably withheld. It is suggested that this right to change, save in exceptional circumstances, makes it difficult to enforce necessary discipline and offers a temptation to those societies which set a higher value on a large membership than on efficient working, though one of the witnesses cited above (*Daniels*, *Q.* 14,864–7) thought that the evils of competition as affected by this matter had to a great extent disappeared. It may be hoped that an increase in the sense of responsibility among those societies which may feel the temptation described and perhaps some mutual action among societies generally may check such evils as are attendant upon the system.

Unquestioning Acceptance of Doctors' Certificates.

105. Another point on which a lax view on the part of societies has led to a certain amount of leakage has already been touched upon, the attitude namely adopted with regard to the certificates furnished by doctors. There are thus numerous instances of societies paying on vague certificates such as "illness," or certificates which they clearly did not understand such as "puereslbenic" or "nilgranic" without apparently making any attempt to inform themselves of the nature of the insured person's complaint (*Hollins*, *Q.* 9287; *Jones*, *Q.* 41,147–9). Even the illegibility of the doctor's certificate is sometimes no bar to the payment of benefit, provided the certificate specifies incapacity for work, and the insured person himself appends a declaration that he is so incapable (*Wigglesworth*, *Q.* 18,102). In cases where local administration is not sufficiently controlled, this feeling of helplessness may lead to the payment of claims supported by certificates which are known to be improperly and even dishonestly given (*Hartop*, *Q.* 22,431–8).

Lack of Cohesion in Certain Societies.

106. Reference has already been made incidentally to a source of weakness affecting certain of the old friendly societies. It is impossible to examine the working of some of the greater affiliated orders, without being impressed by the lack of cohesion existing throughout the order. The independence of the lodge and its freedom from control is apt to lead to a wide divergence of practice (*W. P. Wright*, *Q.* 31,477). The liberty to seek and achieve efficiency in one lodge necessarily involves the right to maintain inefficiency in another, and although the district may claim to exercise control over the lodge, the control in effect resolves itself into an interchange of opinion (*Jones*, 41,118.) The multiplication of lodges with a comparatively small membership operating in the same areas, also leads in these societies to a certain amount of waste through the unnecessary reduplication of work. In a not very considerable town one of these orders may have 10 lodges with a corresponding number of secretaries, sick visitors, contribution books and registers to be kept (*Hyner*, *Q.* 19,631–6.) In these circumstances the unfettered freedom of the lodge leads easily, where so many lodges are insignificant in size, to the perpetuation of inefficient methods and lax systems of administration.

Balance of Advantage of Central and Local Government.

107. This, however, is but one aspect of a problem which everywhere confronts the enquirer in this field of social investigation. Efficient administration of societies can only be obtained by the happy fusion of two apparently contradictory elements. To seek to avoid the dangers of which we have been speaking by strengthening the hands of the central government leads to the opposing dangers implicit in any system of bureaucracy, the decay of local spirit, the carelessness of the individual as regards the prosperity of his society, the dehumanising of the whole machine. The centralised form of government sacrifices the advantages of voluntary work and relies for its success on skilled and trained officials, and in so far as it succeeds, the old spirit which underlay the development of the friendly society movement may be lost, and the member may cease to have any pride in, or affection for, his society. It is on this spirit and on this feeling of pride and affection, together with that intimate knowledge of his fellows that the local worker has, that such societies as the affiliated orders have relied for success, and the great work of past years has very largely been the result of voluntary labour. It is, however, the tragedy of voluntary effort that it finds it difficult to maintain a high standard of mechanical efficiency, and under the more complicated conditions of to-day it feels the strain more than formerly. The problem is how far either of these advantages is achieved without the sacrifice of the virtues inherent in the other—how far the society can be centrally strong, without being locally ignorant and indifferent, how far it can obtain local knowledge and enthusiasm, without becoming chaotic.

THE QUESTION OF EXCESSIVE SICKNESS CLAIMS VIEWED IN RELATION TO THE WORK OF MEDICAL PRACTITIONERS UNDER THE ACT.

PROPORTION OF PERSONS CERTIFIED.

108. The successful working of the administration of the Act postulates, however, something more than efficient government on the part of societies. It is also necessary that the medical profession, by whom insured persons are certified to be incapable of work, should stand in relations of sympathy and understanding with the machinery performing the operations of the Act. The insured person may be taken to pay his first visit to the doctor either already convinced in his own mind that he is so unwell as to be incapable of work, or merely for the purpose of advice and medicine to cure his disease. The medical evidence as to the proportion of certificates issued to the number of persons attended by the doctor varies enormously. Some of the estimates put before us are merely based on the general impression left on the practitioner's mind in reviewing his practice in issuing certificates in the past. In other cases precise figures have been submitted showing the proportion of those receiving sickness benefit to those receiving medical treatment. In a number of cases submitted by one of the medical witnesses it was found that, in a group of patients attended by medical women, the proportion of those receiving sickness benefit to those under treatment varied from 2 per cent. in a high class residential district (where the insured persons on the practitioner's list consisted largely of high school teachers, journalists, and superior servants), to 32·8 per cent. in an industrial area; among a group of medical men the figures in most cases ranged from 25 per cent. to 35 per cent. in some cases, however, reaching such abnormally high percentages as 54·3, and 53 for men and 66 for women (*Claydon*, *Q.* 23,013). In this latter case the explanation suggested was that the medical practitioner was a Poor Law Medical Officer who probably had on his list a large proportion of poorly paid patients, more than ordinarily liable to be incapacitated by sickness (*Claydon*, *Q.* 23,025). Detailed figures were also furnished with regard to the experience of a considerable group of insured persons in Hull, and it was found that, of the men actually being attended, certificates were granted to 1 in 3·04, and among women to 1 in 3·331. (*Divine*, *Q.* 33,004). Another case in which exact figures were available, was that of a practice in Lancashire, comprising 2,589 persons, where during 1913, 46 per cent. received treatment, and of this proportion receiving treatment, 28·3 per cent. received medical certificates (*Harrison*, *Q.* 37,898-900). In another case during a period of two months in winter, a medical practitioner gave certificates to 104 persons out of 364 seen, or a certificate to 1 in 3·5 persons (*Layton*, *Q.* 29,124). Another case in which exact figures were given was a Bristol practice, where among 600 persons seen, 283 initial certificates had been given although not necessarily to 283 different persons (*Devis*, *Q.* 39,883). In the practice of a

woman doctor in South London, out of 268 seen during 11 months, 5 received sanatorium and 56 sickness benefit (*Burgess*, *Q.* 19,951). Other estimates put before us vary very considerably. In a Liverpool practice, which was not largely industrial, the estimate was that one person in 10 seen received a certificate (*Bennett*, *Q.* 16,121); a doctor from a Derbyshire mining district said that about a half went away without certificates (*Duncan*, *Q.* 17,108); in a mining area in Durham we were told that about one-third come for treatment, and two-thirds come for sickness benefit (*Charles*, *Q.* 20,279). Other estimates given were that one in three of new patients get certificates (*Hodgson*, *Q.* 25,621); that on a given evening from 25 to 30 per cent. are certified (*Roberts*, *Q.* 29,775); that one in five of those seen are put on benefit (*Marsh*, *Q.* 32,438); that during a year 15 per cent. of those seen had received certificates (*Farman*, *Q.* 33,417); that about one in 10 would be given a certificate (*Richmond*, *Q.* 38,342).

109. There is a divergence of evidence as to the attitude of mind in which an insured person comes to the surgery. In some cases it is stated that the insured person approaches the doctor with a desire to be put on the funds for very minor complaints (*Belding*, *Q.* 34,181), or that when they enter the surgery they express their intention of "going on the panel" (*Richmond*, *Q.* 38,367). While, therefore, in certain cases the insured person approaches the doctor with the patent object of obtaining a certificate, in the great majority of cases it would appear that the certificate is merely an incident in the course of medical treatment. Questions at once arise as to the stage at which the certificate should be given, what form it should take, what particulars it should seek to convey to the mind of the official of the society for whose eye it is intended. These questions, however, mask the true difficulty with which the doctor, as well as the insured person, is confronted, viz., in what circumstances is the insured person entitled to sickness benefit?

MEANING OF "INCAPACITY FOR WORK."

Literal Interpretation of the Clause.

110. The statute defines "sickness benefit" as "periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement."* This definition has in practice caused great embarrassment to those concerned in the administration of the Act. Literally interpreted it might be taken to mean that if an insured person is so stricken as to be unable to do any manner of work whatever, but not otherwise, he should be entitled to the benefit. This would mean that only those who are confined to bed, and unable while in bed to do anything which could be regarded as work, are proper claimants. Under such an interpretation, it would be difficult for anyone, apart from the completely paralysed and the unconscious, to establish a claim for sickness benefit (and on the application of this criterion it would be rare in ordinary circumstances ever to receive a claim which would be regarded as justifiable). It must, further, be remembered that the Act, in effect, is designed to continue the work done by the sickness benefit of the Societies in the past. In many cases, as already stated, the operations under it proceed side by side with the private work of a Society still engaged in its old business. It has been argued that the provisions of Section 72, to which reference has already been made, furnish support for the opinion that the "sickness benefit" provided under the Act is the same thing in content as the "sickness benefit" previously provided (*Webb*, *Q.* 27,116).

Previous Practice of Friendly Societies.

111. The Friendly Societies, however, did not in any case require this physical paralysis of all the bodily functions as a condition precedent to the receipt of sickness benefit. Their rules contemplated payment when the members were "unable to follow their employment" (Courts No. 1393, 1369, 1655, 1659, 2179, 2206 of the Ancient Order of Foresters); (the High Court rules of this Society required a member to be "incapacitated from work"); or "not able to follow their employment," and "unable to follow his usual occupation" (Lodge No. 4870); and "not able to follow their employment" (Lodge No. 4881, 5702, 5789, 6178 and 4576, Manchester Unity); "prevented from following his usual employment" (Sons of Temperance); "unable to follow his employment" and "disabled from

* *See* section 8 (1). Subject to the provisions of this Act, the benefits conferred by this Part of this Act upon insured persons are—

* * * * * *

(*c*) Periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement, of which notice has been given, commencing from the fourth day after being so rendered incapable of work, and continuing for a period not exceeding twenty-six weeks (in this Act called "sickness benefit").

following his employment, trade or occupation" (Ancient Order of Shepherds, Lodge 3143); "unable to attend his employment" (Rational Association); "unable to follow their employment" (Compton Pilgrims); "unable to follow his usual employment" (Great Eastern Provident Society); "incapable of following his usual occupation" (Royal Oak Benefit Society); "incapable of rendering professional duties and is actually absent from work" (Teachers' Provident); "totally unfit to follow his occupation" (United Kingdom Commercial Travellers Benefit Society); "prevented from following his usual employment" (Stroud or Mid-Gloucester Workmen's Conservative Association Benefit Society); "rendered incapable of following his employment" (Hearts of Oak Benefit Society); "incapacitated from performance of customary occupation" (Stowmarket Provident Society); or contemplated payment when the member is suffering from a disease "disabling him from following his calling" (Ideal Benefit Society and National Deposit Friendly Society). These are cases, taken almost at random, from the rules of old Societies. Some, however, used formulæ more in accordance with the literal interpretation of the Act. For example, "unable to do any work for profit or reward" (Wiltshire Friendly Society); "incapacitated to gain a livelihood not resulting from the infirmity of age" (Hampshire and General Friendly Society); "incapable of gaining his livelihood" (Royal Standard); "unable to perform any kind of work or to follow his ordinary occupation" (Railway Guards Universal Friendly Society); "totally unable to earn his livelihood" (Metropolitan Railway and Mutual Provident); and "incapable of following any employment" (Independent Order of Rechabites, Salford Unity Order Rules).

Attitude of the Medical Profession.

112. There is every reason to believe that the natural instinct of the doctors, on being called upon to certify incapacity under the Act, would have been to regard anyone as incapable of work who was incapable of performing the usual work by which he earned his living. Questions raised by societies in particular cases, and difficulties such as those connected with the question of where incapacity ends and convalescence begins have, however, produced in the minds of the profession a considerable degree of confusion and a state of honest doubt as to the meaning of incapacity for work, and a desire for enlightenment from some authoritative quarter (*Claydon*, *Q.* 24,544). In general, however, it is clear that the profession have, in certifying, had regard to the ordinary employment of the insured person. "If a man or woman cannot follow his or her usual work for a certain time, then "that person is incapable of work" (*Bennett*, *Q.* 16,220). Other doctors have stated that the test is, whether the insured person is incapable of following that particular job (*Charles*, *Q.* 20,412).

Difficulty of the Literal Interpretation.

113. The question of interpreting a phrase in an Act of Parliament is one for lawyers, and as a Committee we cannot give expression to a view which can make any pretension to be more authoritative than that of anyone engaged in administering the Act. Certain observations may, however, be permitted. In the first place, whatever "incapacity for work" may mean it cannot be interpreted in the extreme sense indicated in a previous paragraph, according to which incapacity could only be predicated of the sleeping and the dead. Such an interpretation is condemned by its inherent absurdity; the words of an Act of Parliament must bear some relation to the meaning attaching to them in ordinary everyday use. Moreover, it is of the first importance that the meaning to be attached to the words defining the conditions on which the right of the insured person to benefit depends, should be definite and uniform in the minds both of those who issue certificates, and of those who pay on them. Where the tendency of the doctor or of the society official is to take an ultra-strict view, uncertainty may result in harshness and the denial of benefit to those who in any ordinary sense of the word are incapable of work. More frequently, however, uncertainty will tend to looseness and the granting of certificates of incapacity to those who, while not incapable of work, would be the better for a period of rest or change. There is also much in the argument that in most cases the usual occupation of the insured person is the only one by which he can in fact earn his bread, and that if he is rendered incapable of that calling, it is idle to refuse him benefit on the ground that he is physically capable of some other work which would usually require previous training, and which in any case cannot be obtained at a moment's

notice, or for such interrupted and spasmodic periods as are usually comprised in times of incapacity such as we are considering. A labourer with a crushed foot may be pronounced to be physically not incapable of playing the cornet or the drum at the local music hall; a farm labourer with a cold may be physically able to assume the part of an accountant, but in either case, apart from the fact that such occupations cannot be obtained for odd days or broken periods, he will usually be debarred by his previous training from thus varying the monotony of his life during times of sickness. In all such cases the impossibility of obtaining or doing other work makes it necessary that in normal circumstances sickness benefit should be payable whenever the insured person is rendered incapable of following his ordinary occupation.

The intention of the Legislature.

114. In terms, such an interpretation of the words of the Statute appears to represent a considerable extension of the right to sickness benefit which, as already stated, is at present only payable when the insured person is incapable of work, and it might appear therefore that such an interpretation would impose on the funds of the societies an additional burden for which no provision has been made. This effect would be more imaginary than real, and the payment of benefit where incapacity for the ordinary employment exists, would in general be more in consonance with the intention of the Legislature in passing the Act than the adoption of the strict and literal interpretation of the clause. It has already been indicated that the existence of section 72 of the Act makes it a reasonable assumption that the Act was to a large extent intended to carry on the work hitherto done by the friendly societies, who in actual practice very largely paid on proof of incapacity for the ordinary employment of the member (*Webb, Q.* 27,116). There is, further, a point which is of considerable importance in this connection, namely, that the finance of the Act is based on the experience of the Manchester Unity, with such loadings and adjustments as were necessary to adapt the experience of that society to a national scheme of insurance. Underneath these loadings and adjustments, it was assumed that the experience of the Manchester Unity could be taken as a guide. There would, therefore, be no inconsistency in applying to the procedure under the Act on this question the practice of the Manchester Unity, in which the certificate of the doctor invariably stated that the member was "unable to follow his usual occupation" (*W. P. Wright, Q.* 31,570).

Cases of Permanent or Prolonged Incapacity.

115. Such a criterion, however, although applicable in the vast majority of cases, cannot be regarded as having universal validity, and in particular it furnishes no test in many cases of prolonged incapacity. Where an insured person is either permanently incapacitated from ever again following his occupation, or is in such a condition that his return to his ordinary work must be long delayed, he may, nevertheless, be capable of earning his livelihood in some other way. In these circumstances it would be unreasonable to hold that the application of the suggested criterion would require the society to continue to pay benefit to the member for the rest of his life. The difficulty in such cases is to settle at what point the determining criterion ceases to be incapacity for the ordinary occupation, and where it is necessary to introduce another consideration. The representative of one approved society placed on the words "incapable of work," two interpretations —a legal interpretation under which the words mean "incapable of any work," and the interpretation proper to the secretary of a society under which the words relate to the insured person's ordinary occupation. He suggested that the words should thus ordinarily be interpreted with reference to the usual occupation of the insured person, but that the legal interpretation should be held in reserve for special cases (*Barrand, Q.* 4787–8). In the instance cited, in which an insured person is for ever cut off from following what has hitherto been his usual occupation, as, for example, where an engine-driver is probably for ever debarred from the footplate owing to minor epilepsy, the problem, in the words of this witness, is to decide whether he had ceased to be an engine-driver. "If I came to the conclusion "on all the facts that he could no longer be regarded as an engine-driver, if he is "incapable of following his occupation as an engine-driver, but is capable of "following another occupation, he is not entitled to sickness benefit. If I came to "the conclusion that he might still be regarded as an engine-driver, and we decided "to carry out the idea of a man being entitled to benefit where he is temporarily

" incapacitated from following his ordinary occupation, I should say he would be " entitled to benefit " (*Barrand, Q.* 4803). Another approved society witness, with reference to an assumed case of writer's cramp, expressed a similar view : " He would " be capable of some kind of work, but not of the particular kind at which he earned his " livelihood, but the time might come when that writer's cramp might become chronic, " and not amenable to treatment. Under such circumstances we should not pay. We " should tell him that he must find some other employment " (*R. Smith, Q.* 13,093). This also, in effect, was the practice adopted by the old friendly societies in dealing with such cases : " When the time arrived and he was sufficiently recovered that he would be " able to follow some other employment than that he was previously engaged in, the " lodge would not then go on paying him sickness benefit. They would expect him " to get some employment after a reasonable time " (*W. P. Wright, Q.* 31,574).

116. The evidence of medical practitioners on this question also indicates that, while in general holding the view that certificates should be granted in cases of incapacity for the insured person's ordinary occupation, doctors recognise that this cannot be done for an indefinite period, and that the time will arrive when some other test must be applied. In general, it was evident that the question had not been subjected to any clear thinking on the part of the profession, on the ground apparently that disablement benefit had not yet become payable under the Act (*Bennett, Q.* 16,224.) One doctor stated that he would regard such a person as incapable of work for a certain period, and thinks that he should have a right to give him a certificate of incapacity for a considerable time. (*Bennett, Q.* 16,232–3.) Other practitioners have suggested that in time the doctor should certify that the insured person is no longer capable of doing such and such work, but that he is capable of doing light work. (*Hodgson, Q.* 25,734 ; *Layton, Q.* 29,359). Such a modification in the wording of the certificate would, however, cause great embarrassment to the approved societies who under the Statute are required to pay in cases of " incapacity for work." The fact that no experience of disablement benefit has yet been obtained is really irrelevant to the consideration of this question. Disablement benefit is merely a continuation of sickness benefit,* and the Act does not prescribe a different title in the case of the one from that required in the case of the other. The question of determining the point at which the insured person must be regarded as being permanently incapacitated from following what has hitherto been his occupation, but as capable of other work, is one which may arise at any stage of what under the Act are known as sickness and disablement benefit. Theoretically it is possible that this point could be determined on the first day of incapacity for ordinary employment. If under some malign influence an insured person is suddenly, painlessly, and permanently deprived of the use of his right arm, he will, in most cases, be rendered incapable of his usual work, while capacity for some other employment may remain unimpaired. In such a case the insured person's capacity for other work would from the beginning disentitle him to benefit. This, however, is not a practical point and is merely cited to emphasise the fact that the necessity of determining this question may arise at any stage of the 26 weeks sickness benefit, or at any time subsequently when disablement benefit is being paid. In practice the onset of sickness will in nearly all cases begin a period of treatment, and the question to be determined is when the sick person, having lost for ever or for a long period to come his capacity for his former work, becomes capable of something else. On this interpretation disablement benefit as defined in the Act would only be permanently payable where an insured person had lost all power of earning his living. Although, as has been said, this question has no necessary connection with disablement benefit, the difficulties will become more acute now that the payment of disablement benefit has opened up the possibility of insured persons remaining indefinitely on the funds of societies.

THE RELATIONS BETWEEN DOCTORS AND APPROVED SOCIETIES.

The Effect of the Act on the Relations of Doctors to Friendly Societies.

117. The inherent difficulties of the profession in this matter have been intensified by other circumstances. As has already been indicated, a large section of the practitioners who are now serving on the panel had previously had experience of friendly society work, and, although in many respects the conditions are altered, they are not without training in the practice of certification for sickness benefit.

* *See* Section 8 (1) (*d*). In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered incapable of work by the disease or disablement (in this Act called " disablement benefit ").

In many cases, however, the break in the relations between the societies and the doctors consequent on the passing of the Act has reflected itself in an altered attitude towards the society. It is represented that, notwithstanding the previous existence of friendly relations, doctors have now frequently taken up the position that they have no connection with the society so far as medical benefit is concerned (*Hyner, Q.* 19,128–9). Societies realise that there has come, with the introduction of medical benefit under the Act, a change in the attitude towards them, of even those doctors who had been their faithful officers (*W. P. Wright, Q.* 31,794). The view thus expressed does not, however, represent the unanimous view of approved societies, some of the smaller of which appear to have been able to maintain comparatively undisturbed the old relations with the doctors. Doctors themselves who have in the past done contract work state, in general, that the operation of the Act has in no way affected their previous practice with regard to certification. There is, however, some reason for believing, apart from the representations of societies, that while formerly doctors were ready to look after the funds, they are not now prepared to consider the interests of the society at all; as it is expressed, the lodge has now ceased to exist, and it cannot be expected that the same interest will be taken in a general as in a local matter. (*J. E. Phillips, Q.* 35518–21). With regard to those doctors who are now engaged in this kind of work for the first time there is reason to believe that with some exceptions they do not correctly apprehend the nature of their task, the value to be placed on their certificates, the relation in which they should stand to the society or their responsibility to the working of the whole machine.

Difficulties of Doctors in Work of Certification.

118. Under the arrangements made between the Insurance Committees and the medical practitioners, it was assumed that the panel practitioners would be competent to give such certificates of incapacity, as might be necessary, and that no improper motive would urge them to give certificates in other cases. In the course of our inquiry, however, overwhelming testimony has been advanced in support of the view that unaided, the panel practitioner experiences difficulty in discharging satisfactorily his duties of certification, and that therefore it is desirable in certain cases that a second medical opinion should be available. Sometimes the desirability of such a second opinion has been based on the difficulty which practitioners may feel in determining whether in a given case an insured person is in fact rendered incapable of work, the difficulty being due either to uncertainty as to the nature of the disease, or to doubt whether the illness diagnosed is of such gravity as to incapacitate. In these cases of doubt or difficulty, it has been represented that the possibility of obtaining a second opinion on the question of the insured person's inability for work would lighten the task imposed on the panel practitioner. To this we propose to return in a later portion of this report.

The Desire to be on Friendly Relations with Patients.

119. There is, however, another aspect of this question which requires careful consideration. The remuneration of a practitioner on the panel depends on the number of insured persons who are entitled to receive treatment from him, and among representatives of approved societies, there is a wide-spread belief that the fear of offending patients is a motive which induces practitioners to grant certificates for trivial illnesses or continuing certificates after incapacity has, in fact, ceased. It is unnecessary to summarise the evidence of society officials on this point as there is almost universal testimony of their belief that certificates are granted recklessly, and that the fear of offending patients leads panel practitioners to issue certificates of incapacity improperly, and that the funds of the society are consequently depleted. It is of more importance to consider what representatives of the medical profession themselves have said on this question. The desire in the mind of the doctor to be on amicable terms with his patients is not necessarily, nor exclusively, based on pecuniary motives. In part such friendly relations are postulated as a necessary condition of that atmosphere of confidence which must exist if a doctor is adequately to discharge his functions as a healer. This particular cause of difficulty would exist on whatever terms doctors were employed. In the words of one witness, who has had extensive experience of general practice in the East End of London, "the successful treating "of a patient, even from a patient's point of view, depends on extremely friendly "relations between yourself and the patient. Directly you are going to doubt "his statement and act as a detective, you are establishing a relation which "makes it very difficult to treat in the future. It destroys a valuable part of "treatment" (*Roberts, Q.* 29837–9). The same point of view is involved in a

reply given by another medical practitioner, "I think that it would be a very "unpleasant state of things for the doctor if the patient could not get away. I "would rather be without patients who owed me a grudge" (*Claydon*, *Q.* 22,536).

The Fear of Losing Patients.

120. Apart from this motive, which regards harmonious relations as a condition precedent of successful medical treatment, there is abundant evidence that doctors, with varying degrees of distinctness, feel a difficulty in refusing certificates owing to the possible effect upon their practice. The danger that confronts the medical practitioner is not merely that he may lose the particular insured person to whom a certificate has been refused, but that with him he may lose the family and the friends of the insured person, and also that he may acquire a reputation for strictness which may be detrimental to his future success. It was stated by a witness from a not strictly industrial neighbourhood, in which the sons and daughters of families from which the doctor had hitherto received good fees have now become insured persons, that if the doctor falls out with his patient he loses the whole family, and financially, therefore, it is a very serious thing if he offends these people. "One man told me," said this witness, "that he had two girls on his list, who went on the funds, genuinely, he thought, "directly the Act came into force in January, and they stayed on for several months. "He dared not strike them off; the families were worth too much to him." "I hope "that I shall not be tempted," added the witness. "It is a very nasty thing when you "think what you will lose" (*Bennett*, *Q.* 16,133–42). That this fear is widespread is clear from the evidence of the Medical Secretary of the British Medical Association, based on replies from the representative bodies of the medical profession throughout the country. It may be inferred from Dr. Cox's evidence that the embarrassment caused by demands for certificates, or the fear that demands may be made, affects almost universally the minds of the profession (*Cox*, *Q.* 30,289), and in his opinion this has been a factor, although not a very considerable factor, in increasing the payments for benefit (*Cox*, *Q.* 30,292). Another witness, practising in a rural area where it is generally assumed that this influence is necessarily less active, stated that every doctor whom he had interviewed wants "somebody to take the onus of putting somebody off." (*Belding*, *Q.* 34,219). "Every man," it is said, "is afraid of getting the name. "'Do not go to Dr. ———. He will not put you on the club'". . . . . "It "is a very important factor in doubtful cases. If there is a number of doctors "in a district and one man gets a reputation for letting people on the club, "there will be a sort of unfair competition" (*Belding*, *Q.* 34,220-1). The evidence of other witnesses supports the view that this fear is present in the mind of the doctor, quite apart from the question of how far it influences him in action. "I do not say "that there is nothing at all in it," said one witness, "a man is a very complex animal "and is subject to many influences. I say that that influence is at work now in "Chesterfield, where these things affect him, where he is resenting them all the time, "where he is striving to get clear of them, and where occasionally, if he is a strong "enough man, he can kick against them altogether" (*W. Duncan*, *Q.* 17,565). Another witness, who did not think that this fear affected the action of the doctor "in a general way" recognised that it, nevertheless, was present in his mind (*Charles*, *Q.* 20,503–4). Another expressed the view that doctors were not influenced "to any great extent" by the fear of losing patients by transfer at the end of the year (*Divine*, *Q.* 33,170). Another practitioner, who thought the dread an unfounded one, nevertheless recognised the existence of this feeling. "The medical practitioners have dreaded a lot of things "unnecessarily; they are very easily frightened. I think that they are frightened "of their own shadows in many cases. Speaking for the medical committee, we "have got to realise their dread" (*Hodgson*, *Q.* 25,690). The existence of this motive in influencing the action of the doctors has also been noted by those who have had a favourable opportunity of observing the work of the panel practitioners. "A "doctor in one of the rural portions of the area came to me" said a clerk to an insurance committee, "and said that he was much perturbed in mind in respect of one of his "cases. He felt almost certain that a woman was fit to work, but she insisted upon "applying for a certificate week by week, and, much against his judgment, he had "furnished the certificate. He came to me and asked what course I could suggest with "a view to securing a second examination of this person. He himself did not want "to take any active steps in the matter, because he was afraid that if he refused to "give this insured person a certificate, or referred her to the society direct, it "would mean that not only she, but several others, would leave his panel, and he

" could not afford to lose patients " (*Parrott, Q.* 21,263). Reference may also be made to the evidence of Dr. Bertram Rogers, who has acted as medical adviser to the Bristol Insurance Committee, and in that capacity has had peculiar opportunities of observing the attitude of medical practitioners in that area. In his opinion the disinclination to be regarded as a severe doctor has led doctors knowingly to give certificates which ought not to have been given. " I think," he added, " that I could pick out one or two doctors from whom they could get certificates with the greatest ease " (*Rogers, Q.* 15,369–72). There is thus considerable support for the view of one witness already referred to that there is a serious risk that in attempting to be popular by giving satisfaction to his panel patients, the doctor may keep them on longer than is necessary, and that to this must be ascribed a large part of the leakage of the funds (*Belding, Q.* 34,288–9).

Absence of a Sense of Responsibility to the System.

120. In addition to this timorousness, it is necessary to note among a large section of practitioners on the panel, the absence of a sense of responsibility to the system. Doctors have in the past been by training and by the conditions under which they practice their profession, an individualistic class. Their work is performed in the main in the privacy of the consulting room, and for the manner in which they discharge their duties they have to a large extent been responsible only to their patient and to their conscience. But new conditions of a far-reaching character have been called into being by the passing of the Insurance Act. The profession has now become one of the essential elements in working the Act, and is called upon to play its part in a great national scheme. It is evident, however, that in many cases this wider responsibility has not yet been realised. According to Dr. Rogers, the responsibility felt is chiefly to the patients, and, he added " I do not " think that they consider that they are responsible to anybody " (*Rogers, Q.* 15,616). The absence of this sense of wider responsibility is usually manifested in a disclaimer of any duty towards approved societies. The doctor does not think much about the approved society, and he does not think of his relation to the society unless it is put to him (*Bennett, Q.* 16,624). There is a sort of vague relation with the society, but the doctor does not consider that he has any responsibility beyond keeping his agreement and doing conscientious work (*Q.* 16,626). It is admitted that there is a gulf between doctors and approved societies, but it is not clear why it is necessary to bridge this gulf (*Q.* 16,924-5). The working of the Act has not, it is said, suffered by this aloofness (*Q.* 16,930). Another medical witness who expressed emphatically the view that he had a common interest with the insured person and the societies to make things work, stated that the contrary view was general (*W. Duncan, Q.* 17,148–9). In expressing the extreme view, a woman practitioner stated that she did not consider the societies at all in her work; she only considered the patient's health (*Burgess, Q.* 20,041). When a certificate is signed stating that a patient is suffering from a definite condition, say, debility only, and is totally incapacitated for work, the doctor, by such a certificate, gives to the society the information which it requires (*Q.* 20,043). The doctors help the societies by signing certificates (*Q.* 20,048), and the assistance which the doctor is to extend to the approved society is to be limited to giving an honest certificate (*Q.* 20,054). It must not be regarded as part of the duty of a doctor to answer letters from societies, as this would entail additional clerical work (*Q.* 20,055–9). Thus the society does not enter the doctor's mind (*Q.* 20,094). The doctor would gain nothing from co-operation with societies (*Q.* 21,186), as the duties of societies and doctors are not interdependent (*Q.* 21,189). The evidence of Dr. Cox, the Medical Secretary of the British Medical Association, was to the effect that the profession is probably not taking as wide an outlook on this as it might, although education is going on the whole time (*Cox, Q.* 30,089–90). It is necessary to bring about a *rapprochement* between approved societies and doctors (*Q.* 30,102); violent and venomous things, however, have been said, and " both sides have to cool off a bit " before you can have anything in the way of *rapprochement* " (*Q.* 30,103). The same attitude may be found in another witness, who stated that he did not know that the doctor owed any direct duty to the society except that he has to cure their members as quickly as possible. " We have nothing practically to do with them " (*Farman, Q.* 33,501–2). Again, the doctor does not consider the interest of the society to which the patient belongs, because being national insurance, the thing is now remote; the official of the approved society has practically no *locus standi* in the matter. In the case of serious illness at least, the claim of the patient on the doctor is absolutely the first and only claim (*Belding, Q.* 34,280–2).

The Doctor's true Responsibility.

122. The attitude of a very considerable portion of the medical profession may then be taken to be that their duty is to cure their patients, and that for the discharge of this duty they are responsible to the patients alone. In a sense this is a mere platitude. No one would be so hardy as to suggest that it is not the doctor's duty to cure his patient. This should, indeed, be his absorbing idea, and in issuing to his patients such certificates as are necessary, he should in no way be restrained by consideration of the state of the society's funds. In the past history of friendly societies this may have have been obscured to a certain extent by the close relation between the lodge and the doctor as its officer. The necessity for "considering" the society has now ceased; if, in the opinion of the doctor, the insured person is incapable of work, the effect on the funds of the society of granting him sickness benefit should in no sense affect, or even enter into, the mind of the doctor. It does not, however, follow that the doctor has no responsibility to the society or to the general working of the scheme. There is, in the first place, a clear responsibility to give to the insured person such certificates as he is entitled to receive, and to refrain from giving such certificates as he is not entitled to receive; there is also a responsibility to his own conscience to deal justly by societies, who have to accept his certificate as evidence on which to make payments out of the funds held by them on behalf of their members. If the doctor regards the interest of his patient as paramount, he must be prepared to do his best to contribute to the successful working of the Act, by which alone the sustenance of the insured person in future sickness can be secured. A regard for the interest of the patient, therefore, involves a duty to see that the undeserving do not receive benefit to the detriment of the deserving.

Dissatisfaction expressed by Societies with regard to Doctors.

123. It is impossible to overlook the almost unanimously expressed opinion of society officials that the action of doctors with regard to certification and the administration of the Act generally has been unsatisfactory. Taking a number of friendly society representatives at random, we are told that at the beginning the doctors were antagonistic, they are now more friendly than they were, but not altogether friendly; in certain areas "they freeze you off," and they have been giving certificates for complaints no matter how slight (*Sanderson*, *Q.* 53, 55, 60, 62). Out of 24 sickness visitors consulted by another society, only one stated that there was no fault to be found with the doctor; fifteen referred to the lack of interest, carelessness and evidence of overwork shown by the doctors (*Peters*, *Q.* 1791). Another witness, while giving credit to the doctors for their motives in issuing sickness certificates, thought that they were issued too freely, and that the doctors were giving certificates "very gracefully" (*Thomas*, *Q.* 4531, 4617). The representative of a women's society represents the doctors as being very much annoyed when asked about certificates, asking if it was thought that they would have given certificates unless satisfied that the person was unable to work. "People come here with all sorts of tales," the doctor is represented by this witness as stating, "They tell me they have got pains "here and there. In fact they are full of aches and pains, and where there are so "many to see, there are between 70 and 80 a day, it is impossible to take "particular notice of everyone" (*Willson*, *Q.* 5748, 5766). The complaint that members receive certificates for minor complaints as, for example, pimples on the face, is general (*Shaw*, *Q.* 6530; *Frith*, *Q.* 8717; *Hollins*, *Q.* 9127; *Jackson*, *Q.* 36,524; *Jones*, *Q.* 41,249, &c.), and annoyance is also caused by the habit of concealing what are regarded as trivialities behind a terrifying nomenclature, as in the case of anorexia or coryza, which are found on research by an astonished secretary to denote merely loss of appetite, and a cold in the head (*Appleton*, *Q.* 11,676–9). Another society with intimate experience of doctors in the past finds in the action of doctors evidence of carelessness which is not improving to the extent that it might (*Hyner*, *Q.* 19,150), and fears that, if a secretary was frequently complaining to a doctor that he had issued wrong certificates, the doctor would order him out of his surgery (*Q.* 19,146). Another society, while thinking that the doctors had done their work satisfactorily, regretted that there had not been evidence of harmony between doctors and societies in some areas, and thought that especially in colliery districts more assistance might have been given by the profession (*Huntley*, *Q.* 25,114). Another witness states that on communicating with the doctor, the doctor sometimes ignores the society and sometimes practically tells them to mind their own business (*Pimble*, *Q.* 37,082).

124. No attempt need be made to assess at their correct value any or all of these statements, which are representative of an enormous volume of dissatisfaction with the action of the medical profession. There has been very little evidence of definite acts of deliberate false certification by panel practitioners, and it is necessary to bear in mind that carelessness and indifference on the part even of a comparatively small section of doctors may react unfavourably on the reputation of the whole profession in any area. According to the statement of a witness from one of the largest towns, it is "a dozen or twenty people who are causing all the mischief" (*Daniels*, *Q.* 13,992). Yet even making every allowance for this, the almost universal dissatisfaction expressed by societies with regard to the manner in which doctors discharge those duties in which societies are more particularly interested, when taken with the disclaimers by representative members of the profession of any responsibility to approved societies forces us to the conclusion that to a very large extent the medical profession have not extended to approved societies that assistance which must be forthcoming if the operations of the Act are to be successfully conducted. It is admitted that when the Act first came into force, the temper of the profession was to a certain extent ruffled, and that this found expression in a feeling of antagonism towards the Act and towards approved societies. There is a considerable body of evidence tending to prove that the Act is now regarded by the profession in a more kindly light, and that especially in certain areas less inimical relations exist between the profession and approved societies. The former attitude has, however, not completely passed away, and in many cases the doctor remains on his dignity with regard to approved societies, and a condition of aloofness is maintained.

Attitude of Doctors towards the demand for Precise Information on the Certificate.

125. As a particular illustration of this may be taken the attitude of the profession towards the demand of societies that as precise information as possible should be given regarding the nature of the illness from which the insured person is suffering. To a large section of the medical profession it appears that a clear statement of the illness is unnecessary, and that all that is of importance to the society is the statement that the person is incapable of work. In the extreme case, this manifests itself in an abrupt refusal on the part of the doctor to communicate in any way with the society with reference to a certificate issued by him. We have heard of a doctor, asked with reference to a certificate that a girl was incapacitated by pains and cough, replying among other things that "my certificate as a Bachelor of Medicine of the "University of London, stating that the girl is unable to work, is correct, and I fail "to understand your request." Another doctor, with reference to a certificate for "sickness and debility," replied, "I am greatly surprised at your decision respecting "my diagnosis of sickness and debility. I beg to state that we doctors are not "forced by any sections or society to give any diagnosis whatever. Surely what I "have stated is quite enough for anyone to claim their benefits from." Another, with reference to a certificate of debility, returned a blank certificate, stating, "If you are not satisfied with debility, you shall have nothing" (*Macarthur*, *Q.* 11,470–7). We have also heard of a lodge secretary of an affiliated order who stated, with reference to a medical certificate, that, when spoken to on the subject, the doctor informed him that he knew when a member was fit for work better than the members of the lodge, and that the lodge must therefore abide by the certificates (*W. P. Wright*, *Q.* 31,786). On a doctor being asked for further information with regard to a certificate, he replied, "I can give you a diagnosis of this case for a fee "of 5*l.* 5*s.*, but not for 1½*d.* a week" (*Mander*, *Q.* 21,793). In another case, where a girl received sickness benefit for 23 weeks 4 days, on a certificate for neuralgia, the doctor replied that a certificate was given, and that was all he could do (*Pimble*, *Q.* 37,282–4). Another witness states that he received a certificate for chest affection, which was subsequently expanded to "bronchitis or pleurisy"; as the insured person, on being questioned by the society official, indicated that the pleurisy was situated in a part of the body not usually so affected, the doctor was consulted, and replied that, "You Oddfellows are too particular. Other societies would have paid on the chest affection" (*Jones*, *Q.* 41,236).

126. It may be urged, no doubt with truth, that such answers as these can only emanate from the less responsible members of the profession, but there can be little doubt that a large number of doctors regard the statement of the nature of the illness on the certificate as unnecessary to the society, and the demand for the amplification of a vague certificate as merely an act of officious fussiness on the part of the society. It is assumed that it is the doctor who places the insured person on the sick fund,

that his statement that the patient is incapable of work is sufficient for this purpose, and that it is therefore a matter of indifference what illness is specified on the certificate. Thus, we are informed that it does not matter what is written on the certificate, because at the end of the certificate it is stated that the insured person is totally incapacitated. So long as the patient is thus incapacitated it does not matter whether the incapacity is due to debility or to some other cause, and therefore the use of the word debility, even where something more precise could be specified, does not matter to societies (*Burgess*, *Q.* 20,214–8). The societies could take it for granted that possibly there was something behind besides debility, and that they need not trouble about it, having thoroughly protected themselves by having the words at the end of the certificate that the patient is totally incapacitated (*Burgess*, *Q.* 20,227, 21,195). What, it is again asked, does it really matter to the society or anybody what you call it? (*Cox*, *Q.* 30,167–8). Another witness, expressing the same view, says, "I think when we certify that a person is incapable of work, it "should be accepted as our honest opinion that the person is incapable of work, that "we are not trying to cover up any malingering, and are not trying to save ourselves "trouble. . . . . It should be accepted that we really honestly mean that the "person is incapable, and it is not a question of what is on the certificate. What is "on the certificate is of very little importance. . . . The important question is, is "the person incapable of working?" (*Oldham*, *Q.* 37,670). The fact that one medical practitioner gives certificates of debility for an abnormally lengthy period may be of interest from a medical point of view, but it does not affect societies. From the health point of view a society may have some interest in knowing whether an illness specified as debility is not in fact something else, but it has no interest from a monetary point of view (*Q.* 37,787–91). Another practitioner expressed his view as coinciding with that of other practitioners in his area, that it ought to be left entirely to the doctor's judgment as to the name of the disability or disease that he puts on the certificate (*Devis*, *Q.* 39,953). The doctor "pledges his personal "honour and his professional reputation that he is unable to follow his employment; "and that is just as good, and just as binding as saying that he is suffering from "some disease. . . . . It is the doctor's *bonâ fides* which is at stake, and not "the diagnosis" (*Q.* 39,992).

The necessity for Precise Information on Certificate.

127. The contention that it is sufficient for the purposes of approved societies for a doctor to certify incapacity, necessarily involves the position that the doctor shall be the sole judge as to whether an insured person shall receive sickness benefit. It is agreed that it would put the medical practitioner in an impossible position with regard to his patients, if the patient were to think, and think rightly, that it rested entirely with the doctor to decide whether he should receive benefit or not (*Clarke*, *Q.* 39,262). Apart, however, from any objections which may be urged against a system in which the right to place persons on sickness benefit is vested in the medical practitioner, it may be sufficient to observe that this is not the system which at present is in operation. The obligation of deciding whether an insured person is entitled to sickness benefit now rests with approved societies, and the doctor by his agreement with the Insurance Committee has undertaken to supply such certificates as are required by the rules of the society of which the insured person is a member. It is clear that the society is not in a position to arrive at a decision in any case as to the propriety of paying benefit unless it is supplied with precise information as to the nature of the illness from which the insured person is suffering. This information is essential, not merely on the general ground that the societies are called upon to arrive at a decision with regard to the claim, and cannot do so in the absence of the facts, and that in certain cases, such as those in which the cause of an injury or disease may be such as to entitle the insured person to compensation under the Workmen's Compensation Act, or in which the disease may be due to the persons own misconduct, information of the nature of the disease is indispensable to put the Society upon such inquiry as it may be its duty to make, but also because after all the doctor is only certifying as to that which is within his knowledge. In many cases which present purely subjective symptoms the doctor is to a large extent obliged to accept the statement of the insured person, and elsewhere his judgment may be misled by a fraudulent or exaggerating patient. In these cases it is necessary that the certificate of the doctor should be checked, partly by the societies' knowledge of their members, and partly by the investigation of their sickness visitors. These checks cannot be applied unless the certificates issued

by the doctors convey clear and precise information to the mind of the society official who adjudicates on the claims.

Prevalence of Vague Certificates.

128. There is every reason to believe that very large masses of certificates have been issued with intentionally vague and misleading diagnoses stated on them. Such a practice is necessarily the cause of infinite embarrassment to societies who have to arrive at a decision on deficient evidence. It is impossible to hear the evidence of representatives of approved societies without being impressed by the enormous difficulties with which they have had to contend, owing to the submission of certificates for such illnesses as debility and catarrh. Nearly all the cases of difficulty experienced by societies with regard to certification originate in certificates of this nature, and there is every reason to believe that an enormous volume of such certificates are in fact issued. One society estimated that $31\frac{1}{4}$ per cent. of the payments for sickness benefit had been made on certificates for anæmia and debility (*Clayton, Q.* 3063). Another society which had investigated several thousands of first certificates found that complaints such as anæmia, catarrh, debility, cold, neuralgia, tonsilitis, accounted for 25 per cent. of the total of cases investigated (*Jefferson, Q.* 7228). In the case of another society the figures submitted showed that in the first two quarters, out of 116 certificates on which benefit was paid, 104 were for anæmia, debility, gastric catarrh, and illness, in the third quarter 25 out of 27 were covered by these classes, and in the fourth quarter 18 out of 21 (*Barber, Q.* 28,652). Dr. Rogers states that the doctors have "got a certain number of definite things which they put down," taking the path of least resistance, such as "debility, anæmia, bronchitis, bronchial catarrh, dyspepsia and things of that sort" (*Rogers, Q.* 15,412–4). According to the Clerk to the Bristol Insurance Committee the practice of writing debility on certificates is so common that he does not feel justified in taking the matter up with practitioners (*Paget, Q.* 24,072). It may not be irrelevant to observe that the area to which the Clerk thus refers and of which Dr. Rogers speaks with special knowledge is that in which the Committee were informed by another witness that it ought to be left entirely to the doctor's judgment as to the name of the disability or disease that he puts on the certificate (*Devis, Q.* 39,953).

Certificates for Debility.

129. It may be observed that debility is not in itself a specific disease; it is a condition of ill health, and while in the early stages of an illness it may not be possible to state more than that the patient is "weak" there must be an underlying cause of the debility, which it is the doctor's duty to ascertain as soon as possible. Debility is, in fact, not a diagnosis of illness, but a description of a state arising out of or accompanying illness, and while in certain circumstances it may be a permissible statement on a certificate at the beginning of an illness, its continued use is a confession by the doctor of his inability to ascertain the real cause of the insured person's incapacity. The dangers involved in the use of the word "debility" and the temptation which it may hold out to the hurried or careless doctor to specify on the certificate something which at least cannot be proved to be wrong, are recognised by a number of the representatives of the medical profession who gave evidence before us. One witness, while allowing that debility might be a permissible statement for one or two weeks, said, "Debility is a very unfortunate thing to put on the certificate. "I always avoid it myself. I have actually cases of it . . . . which came "from another area; one proved to be consumption and another a largely "dilated heart . . . . I grant that it is not a term which one can defend very "well. . . . I dislike it, and, if I were a medical referee, I would always be "suspicious when I saw the term debility" (*Bennett, Q.* 16,329–331). Another witness of great authority, not himself engaged in panel practice, was of the opinion that "there is a stage in illness when debility is all that the medical man can say, but "at a reasonable time he would naturally be expected to assign some underlying "cause" (*Bond, Q.* 18,486). This witness deprecated the writing of debility as a regular habit, agreeing that it offered a temptation to the weaker doctor, both to an easy diagnosis and to the improper grant of certificates (*Bond, Q.* 18,499–501). "I think," said another practitioner with reference to the word debility, "that it always "shows a certain amount of debility on the part of the doctor. . . . I think it "perfectly right that the diagnosis should be strengthened by the cause of the debility. " . . . Debility is always a great refuge for malingering. It is feeble on the "part of the doctor to use it" (*Hodgson, Q.* 25,755–7).

130. Such views as these, however, are not universally held in the profession. It is clear that a very considerable section of practitioners succumb to the temptation of putting on the certificate the readiest diagnosis available, and that the failure to furnish accurate or sufficient information to societies has added enormously to their difficulties. The certificate of the doctor is merely evidence on which the society has to decide, but only with the assistance of the best medical evidence can the society arrive at a decision. The peculiar position of the doctor, and the fact that in many cases his evidence is the only evidence available, makes it of greater importance that what is stated on the certificate should not represent any deviation from the full truth. Apart from the cases in which it is not possible to give a definite diagnosis in the early stages of illness, the tendency to vague diagnosis manifested in the extreme case in such certificates as those for debility extended over many weeks, must be attributed either to the slackness, incompetence, or what can only be termed the perverseness of the practitioner. There are, however, important groups of cases in which vagueness is due to deliberate intention inspired by what the practitioner considers as a legitimate regard for his patient.

Intentionally Vague Certificates : (i) *Danger of Aggravating Illness.*

131. Taking the last of these causes, it is evident that certificates bearing the word "debility" or some other vague and misleading diagnosis are frequently issued where the patient is suffering from, and must be known by the doctor to be suffering from, a definite illness other than that specified on the certificate. The first class of case in which it has been advanced on behalf of the doctor that he should be vested with a discretionary power to make an incorrect statement on the certificate, is where it is said that the patient is suffering from an illness which would be aggravated by a knowledge of his condition, or where it is feared that a clear statement of the nature of his illness, in a document which would be seen by the patient, would affect his mind in such a manner as to cause a risk of serious danger to his health. In this class of case are usually included cancer, certain forms of heart disease, and such illnesses as incipient insanity. It is, however, inherently improbable that cases of this class will be numerous, and this fact is supported by the evidence before the Committee. "I believe that the importance of that subject has been "enormously exaggerated . . . . I was trying to think of a single case before "the Act came into force where it has been on the face of it necessary to gloss "over the truth, and I cannot think of a single case" (*Marsh*, *Q.* 32,506–7). Another witness states, "We tell all our patients exactly what is the matter "with them . . . . They like it and we prefer to do it" (*Roberts*, *Q.* 29,856–7). Another witness, with 2,589 persons on his list, stated that while he could imagine that the doctor would sometimes not want to state the nature of the illness, in every case which he had had so far he had put down what he thought to be the real illness (*Harrison*, *Q.* 37,952). Another practitioner, who urged that there were many cases in which it would be bad for the patient to learn the true cause of incapacity, stated, speaking from recollection, that in only one case out of 283 certified by him had it been necessary not to put the true name of the illness in order that the patient should not be injured (*Devis*, *Q.* 39,958). It would thus appear that the number of cases in which it is undesirable in the interest of the health of the patient that a true statement of the nature of the illness should be inserted on the certificate is extremely small, and it would not appear to be beyond the bounds of human ingenuity to devise some method whereby, in these cases, sufficient information could be conveyed to the society without the true facts being communicated to the patient. The statements as to the possible risks to patients of disclosure to them of the full truth are supported by so great a weight of professional opinion that we cannot disregard them, but it is impossible on such cases to set up a general defence for the use of synonyms, euphemisms, or aliases (*Cox*, *Q.* 30,166–30,190), which are intended to deceive, and which in fact can only be successful if they do deceive.

Intentionally Vague Certificates : (ii) *Diseases Peculiar to Women.*

132. A second class of cases requiring consideration in this connection is that of women suffering from diseases peculiar to their sex. Here the use of precise medical nomenclature in certification is deprecated, on the ground that it is revolting to the patient's feelings that such a certificate should be handed about among the officials of a society, particularly in cases in which the confidential character of the certificate may not be duly respected.

Intentionally Vague Certificates: (iii) *Illness Due to Misconduct.*

133. The remaining class of cases in which vague terms like debility, or euphemisms, or synonyms are defended, is where it is considered desirable to conceal what is, or may be regarded as, an illness due to misconduct. The position is here complicated by the fact that certain societies take an extraordinary view of what is involved in misconduct, and of their powers under the Act of withholding benefit where illness is due to that cause. Thus, one society appearing before us has definitely excluded from payment of benefit cases of "the venereal disease or any species thereof." The society ignores the question of whether the illness was due to misconduct; they have denied to insured persons the right to benefit in respect of a certain class of illness. "It is not necessary," said the witness "to inquire as to how they have contracted it" (*R. Smith, Q.* 12,268). Further, this society apparently considers it its duty to inquire into all cases of illness comprised in a vast group of diseases which may, in any conceivable circumstances, be due to misconduct (*R. Smith, Q.* 12,286, 12,303, 12,337, 13,574). Certificates for abortion are thus queried on the ground that abortion may be procured, and that the term "abortion" would not be used unless there was something more than an ordinary miscarriage (*R. Smith, Q.* 12,480, 12,490–1).

Certification in cases of Venereal Disease.

134. The question of what should be certified in cases of sickness due to venereal disease, whether contracted through misconduct or not, is one of extraordinary difficulty and presents many different aspects.

135. In the first place it is impossible to overlook the fact that there is a strong professional feeling that, in the case of a married woman, the fact that she is suffering from a venereal disease should not be disclosed to her owing to the fear, as it is expressed, of "breaking up the home," and this is supported by the fact that the disease may be due to infection from a person whose misconduct has taken place years previously. This view is not universal, and it may be doubted how long it is likely to be maintained (*Claydon, Q.* 24,288*a*) and how far it is consistent with the relations existing between a professional man and a person seeking advice.

136. Next come the cases where the medical practitioner finds nothing to displace in his mind a proper presumption of innocence. In these cases the statement of the venereal origin of the complaint upon the certificate must necessarily cause to the insured person a degree of suffering which is wholly disproportionate to any advantage which can accrue to the general scheme; and, whether this be so or no, we are convinced that the task of persuading the profession to make this statement in these cases would be an impossible one, even if it were justified ethically.

137. Thirdly come the cases of the sequelæ of venereal complaints contracted years ago. In these cases also the instinct of the professional man will inevitably prevent him from being a party to a disclosure which brings home to a man after many years the consequences of a long forgotten transgression. But in this matter we believe we are justified in expressing the opinion that approved societies generally would not interpret the misconduct rule as justifying them in refusing benefit, and that in taking this view they would be following the old practice of societies.

138. Lastly come what may be called the simple cases of venereal disease resulting from fairly recent misconduct.

139. It will be observed that these cases of diseases peculiar to women, and venereal diseases, differ from those previously described of heart disease and the like, in that, in the former two classes, what is sought to be avoided is communication to third parties, while in the latter class the danger lies in communication to the patient himself. There may be instances where this latter element may enter into these cases also, but we must not be taken as accepting any view which may be held that it is desirable as a general rule to conceal from patients their condition when they are suffering in this way.

140. If some system of dealing with the certification of these cases which will avoid suffering to the innocent cannot be found, it is clear that the reflex action of false certification which will inevitably ensue will break down the whole system of true certification. Before considering what means should be taken to this end, it is desirable to state the facts as disclosed in the evidence.

141. A doctor who, as in one case brought to our notice, certified that an insured person was suffering from influenza, when it was within his knowledge that he was suffering from gonorrhœa, makes himself a party to a deliberate fraud (*Rogers, Q.* 15,506–7). We are assured that the certificates held by societies must for this reason be regarded as unreliable, since cases of venereal disease in women will

probably be certified as something else, (*Cox, Q.* 30,585). "The doctor," we are told, "being of opinion that the disease is not due to misconduct, he does not give that name to it, because he thinks that it would lead to an unprofitable enquiry" (*Cox, Q.* 30,588). So long as doctors regard it as their business to determine whether the insured person should receive benefit (*Broster, Q.* 37,576*a*) they will be under a temptation to resort to devices for the purpose of blinding the society and thus smuggling a claim past that scrutiny to which a society must subject all claims. This in effect perpetuates the evil which it is sought to avoid. When a society discovers that influenza is regarded as a legitimate euphemism for gonorrhœa, it cannot be severely blamed if thereafter it considers it its duty to make enquiries into all certificates of influenza. It does not require a large percentage of euphemisms to produce in the mind of the official administering the society the feeling that any given certificate may be intended to deceive and to induce him to pay benefit where, with a full knowledge of the facts, payment should be withheld. A case in which a society enquired as to whether ulcers in the leg in a young girl were due to misconduct was characterised as "a typical case of gross impertinence" (*Cox Q.* 30,613). On the assumption that the certificate correctly stated the nature of the illness this would be so, but these enquiries are the inevitable result of the use of synonyms and euphemisms which necessarily rob the society of any assurance that the insured person is suffering from the illness stated on the certificate. Another case which emerged was that in which a society enquired with reference to a certificate of endometritis, whether the illness was due to misconduct and whether the insured person was pregnant (*Claydon, Q.* 22,580; *Oldham, Q.* 37,654). This "monstrous inquisition," we are informed, occasioned a great deal of indignation that an unmarried woman should be suspected because of a gynæcological complaint, and should be put down as possibly guilty of misconduct and being in a condition of pregnancy (*Claydon, Q.* 22,584). We are not concerned to defend these indefensible inquiries, but it is obvious that so long as doctors consider that they are justified in using synonyms and euphemisms, societies will consider themselves obliged to ask what may frequently be offensive questions. The difficulty cannot be met, as has been suggested, by subjecting the ingenuity of the doctors in finding synonyms to an extra strain (*Cox, Q.* 30,615). The only way of avoiding objectionable questions, and the only way in which the medical profession can purge themselves of their share in the responsibility for such questions being raised, is by inducing in the minds of the officials of societies administering the Act the conviction that the certificates received by them contain ungarnished the whole truth to which they are entitled.

Suggested Method of Certification in Exceptional Cases.

142. Turning now to the four classes of cases set out above, the last class, that of fairly recent misconduct, is in itself a simple one and need not be made the subject of sophistical refinements. Where the doctor thinks, as a reasonable man, that the disease is so caused, his duty is the simple straightforward one of certifying as a scientific man as to the state he finds. The final decision as to whether the illness so certified is due to misconduct is for another tribunal. He should, therefore, give a certificate stating expressly the nature of the illness from which the patient is suffering, and leave it to him to carry his claim to the society if he so desires. It is evident that in most cases, at least in the earlier stages of venereal disease, men do not claim benefit, partly because they are not in fact thereby rendered incapable of work, and partly because it is generally recognised that by most societies benefit is not payable in respect of illness due to misconduct.

143. The remaining cases, though we believe that they are far more important from the results which flow from them in any particular case than from the proportion which they bear to the total number of certificates, must in our view be dealt with specially. We suggest that in these cases, as in the cases of heart disease, cancer, and incipient insanity, the doctor should furnish to the insured person a vague certificate, and should simultaneously inform the society that the certificate does not fully disclose the truth, and communicate a precise statement of the truth to the medical referee. In these cases, as the dangers mentioned in the case of heart disease, cancer and insanity do not arise, the duty of the doctor towards his patient as regards disclosure to the latter of the nature of the disease will remain unaltered. We attach importance to the adoption of such a formula as will not indicate to the society whether the vagueness of the certificate is due to the fact that the patient is suffering from a

venereal complaint or from a disease peculiar to women on the one hand, or, on the other, from a complaint the precise nature of which is to be kept from him for fear of risk to his life or sanity. The object of this procedure is to induce the society to accept the certificate as proof of incapacity entitling to benefit, and therefore to refrain from making such inquiries as those which we have described and to remove any justification for such a course being taken. It will, therefore, be incumbent upon the profession to act with the strictest fidelity to these principles, since it cannot be expected that this necessary result should be obtained unless the confidence of societies generally can be restored. It is a great experiment made in the interests of insured persons, in the direction of accepting the doctors' invitation to consider the profession as on its honour (*Claydon*, *Q.* 22,560; *Oldham*, *Q.* 37,756–7), and can only be successful if frankly accepted as such by both sides.

Vague Certificates due to Slackness.

144. The other causes to which must be ascribed the prevalence of debility certificates are the incompetence and slackness of the doctor. We have quoted Dr. Rogers' observation that in writing down one of a group of names the doctors are taking the path of least resistance (*Rogers*, *Q.* 15,414). He further states that debility sometimes covers careless examination or a careless diagnosis or no diagnosis at all. "Debility is put down in the case of a great many young people who come in and say "that they feel out of sorts, though there is nothing very much the matter with them, "but they want a holiday." (*Rogers*, *Q.* 15,419–21). To the doctor with a crowded surgery, anxious to be finished with his work, the use of such a ready aid to diagnosis offers an immense temptation, for the word debility has this sovereign virtue that, inasmuch as all illness debilitates, a doctor who certifies every case as debility can at least never be accused of an error of diagnosis. Where a doctor has to see between 40 and 50 patients in an evening (*Rogers*, *Q.* 15,422) or where from 30 to 50 patients have to be disposed of in an hour (*Oldham*, *Q.* 37,821–6), there is not much time for a new case (*Oldham*, *Q.* 37,826), and we need not be surprised at the suggestion that the insured persons do little more than walk past the doctor (*Rogers*, *Q.* 15,425). To the man confronted by the necessity of arriving at a diagnosis in a minute-and-a-half such words as debility, anæmia, and dyspepsia furnish an easy method of putting something on the certificate which is not glaringly inaccurate, before passing on to the next patient. A case was adduced by a witness in support of the view that the first diagnosis is necessarily provisional and subject to revision later, but in reality it shows the dangers involved in relying on certain broad diagnoses. In this instance, a girl, who was a temporary resident, had been certified by her previous medical attendant as suffering from neurasthenia. On the second visit in the new area it was ascertained that she was suffering from polypoid growths in her nose (*Oldham*, *Q.* 37,829–30). The use of broad general terms not only enables the doctor to dispose of his cases expeditiously, but it also deludes him into the belief that, in applying a convenient label to the illness, he has diagnosed it, and in the comfort of this delusion he may for weeks continue in ignorance of the true nature of the illness which he is presumed to be curing. Against this temptation to slackness it is necessary for his own salvation that the doctor should raise barriers. If instead of taking refuge in vague generalities, he were to compel himself in his work of certification to state with the utmost possible precision the nature of the illness from which the insured person is suffering, he would find it a stimulus to the improvement of his whole professional work. There can be little doubt that the slovenliness of mind which shrouds itself in vagueness will generally result in carelessness in other aspects of a practitioner's work. Looking from the point of view with which we are more particularly concerned, there can also be little doubt that the judgment of the doctor on the question whether an insured person is or is not capable of work would be greatly sharpened, if he compelled himself to come to as definite a decision as possible with regard to the diagnosis in each case, and committed himself, in writing on the certificate, to the decision arrived at. It is already being recognised that the keeping of records under the Act tends to more careful work (*W. Duncan*, *Q.* 17,686), and the doctor who compels himself to be precise in his statements on the certificates will also find himself thereby compelled to be a more careful practitioner.

145. It is desirable to notice a method, stated to have been adopted by some doctors, of giving certificates to the insured person, and then warning the approved society that the member was not really incapacitated, and that benefit should not be paid. This practice cannot find a place in any proper system of certification, and is reprehensible both professionally and administratively (*Shaw*, *Q.* 7161.)

Variation in Certificates in Successive Weeks.

146. It is a necessary corollary to the doctrines set out in the preceding paragraphs that the successive weekly certificates given in the course of a long illness should each comprise, in the name of the disease stated upon it, a statement of the opinion held by the doctor at the time when that certificate was given as to the cause of incapacity. If, as is admitted, debility may be all that can be stated on the first examination, the doctor in later certificates should indicate the degree of further knowledge which he has obtained by attendance on the case. This is not universally the present practice. "If I started by saying it was debility, I should keep on with that," says one practitioner (*Burgess, Q.* 20,238). Another doctor perhaps indicates the reason for this persistence in the use of a vaguer term when science has arrived at certainty. "Once the diagnosis is down in a statistical return, the people at the other "end would not thank you for altering it . . . . to such an extent do they object, "that doctors are very chary about making any alteration" (*W. Duncan, Q.* 17,171–2).

147. Evidence from societies confirms this view of Dr. Duncan's. Thus one witness seems to suppose that where "in the course of two months the person was "certified "as suffering from three or four different internal troubles," it is extremely unlikely that she suffered from all of them, and that the doctor "in all probability had in- "sufficient time at his disposal to investigate the case adequately" (*Gordon, Q.* 2463–7).

148. Another witness stated "We had so many different complaints, sometimes "four and five, and even more, on consecutive certificates, and I thought that if a "thorough medical examination had taken place, those complaints should either "have been stated at first or not stated consecutively, which they were . . . I "should have thought he would have had the name of the complaint against the "woman's case, and that the particular complaint he had in his book he would put "on the certificate" (*Willson, Q.* 5901, 5903).

149. Another witness stated, "I have a doctor here who certifies a different "complaint every week. The first week it is an 'attack of faintness due to pregnancy,' "the second it is 'influenza,' the third week it is 'debility,' and the fourth week it "is 'debility'." (*Appleton, Q.* 11,671).

150. The Committee, of course, have had no opportunity of investigating the clinical history of the patients actually referred to, and some of these instances may be also examples of carelessness in the original or subsequent examinations. On the other hand, the statements of the witnesses indicate that society officials do not fully realise either the grave difficulty of arriving at certainty in matters of diagnosis at the first examination (*W. Duncan, Q.* 17,263; *Layton, Q.* 29,548; *Parsons, Q.* 31,387), or the necessity for maintaining accuracy throughout the whole course of certification. It would be well that it should be realised that a variation in the name of the disease written upon a certificate points, in ordinary circumstances, rather to a conscientious desire to state the full truth than to carelessness, and that, where it is evidence of carelessness, it is valuable for that very reason.

151. We are the more inclined to lay stress upon this matter owing to the practice of some societies to be content, in illnesses extending over more than one week, with a certificate in the form of a continuation sheet, which does not require the doctor to make any statement as to the nature of the disease supplementary to that upon the initial certificate. The result is that in some cases quite trifling ailments are put forward as justifying sickness claims extending over a great number of weeks. If no attempt is made to obtain any further diagnosis than that stated on the initial certificate, no means exist of deciding whether the doctor is certifying mechanically without a proper examination of his patient, and is perhaps abetting an improper use of the funds, or whether, on the other hand, the trifling complaint originally diagnosed has been merely the precursor of a serious complaint which the practitioner has detected and is in course of treating. We therefore attach great importance to the exact name of the disease, so far as known to the doctor, being entered upon the certificate week by week.

Inaccuracy in Dating Certificates.

152. There is another point in which there is reason to believe that a strict adherence to formal truth has not been observed in the issuing of certificates. Numerous complaints have been received from approved societies that certificates have in certain cases been post-dated or ante-dated, and that certificates have been given without the patient being seen. In the matter of the dating of certificates societies cannot be held guiltless, as there is a considerable body of evidence tending to prove that in certain cases

representatives of societies urge the doctors for administrative, or less defensible reasons, to irregularities of dating (*Hodgson*, *Q.* 25,836). Of cases where patients are certified without having been seen two main classes may be noted, those in which the insured person has been ordered elsewhere for reasons of health, and those in which he is an inmate of a hospital or other similar institution. In these cases it is not sufficiently recognised that the certificate is a necessary piece of the administrative machinery of the society, and that it is a formal document on which the payment of money depends. In a system under which vast sums of money are paid out on the evidence of certificates signed by doctors, it is indispensable that the certificate should in all cases clearly indicate the date on which the practitioner signed the certificate, and the date on which he satisfied himself, as a result of examination, of the insured person's incapacity. (*Thomas*, *Q.* 4640.) In many of the witnesses who have appeared before us we have not found this conviction of the importance of adhering to a rigid system in the matter of certification, and it is clear that in certain cases practitioners are prepared to depart from the strict truth in order to comply with the requests of the society or to oblige the patient. In the case of one practitioner, of whom we were told, "the patient had "gone a good way off, and came to him every fortnight. For the intervening week "he did sign. There was no doubt that the patient was not fit to go back to work. "I asked him why he did that, and he said it was to save the patient trouble" (*Bennett*, *Q.* 16,341). It is of the utmost importance that the certificate which in many cases is read by an official who has no personal knowledge of the doctor certifying, or of the person who is certified, should bear the same meaning to the official that it has to the doctor who signs. This cannot be the case if doctors do not regard themselves as bound to literal accuracy on the certificate issued by them. Some doctors consider themselves justified in giving certificates to patients seen "recently," a phrase of some pliability which is readily extensible from two or three days to a more lengthy period (*Claydon*, *Q.* 22,948). It is also suggested that the date put on a continuing certificate is immaterial (*Marsh*, *Q.* 32,481). All this inaccuracy leads to confusion and uncertainty in the minds of society officials, who have no means of knowing from the certificates the facts which the doctors intend to convey, and it also leads to more serious results, as in cases brought to our notice where insured persons have been certified to be incapable of work after death (*Jefferson*, *Q*, 7212; *Barber*, *Q.* 28,968).

Necessity of Weekly Certificates.

153. We are of opinion that it is essential to economical administration that the claim of the insured person should, in ordinary circumstances, be supported by a medical certificate, that it should be renewed once in every week, and that upon the occasion of each renewal the certificate should contain a precise statement of the nature of the disease. To this general rule, upon the importance of which we cannot lay too much stress, certain exceptions must be admitted.

1. In cases of long-continued disability, where the cause is apparent, such as a broken limb, where the weekly attendance of the practitioner may possibly not be required, and in cases of long-continued chronic sickness such as paralysis, where also frequent attendance may be unnecessary, the certificate may reasonably be given at intervals longer than a week. Any question arising between the medical practitioner and the society as to whether the medical aspect of the case justifies the use of this exception should be reported upon by the medical referee. We anticipate that societies would be content to abide by this report; but should this prove ineffectual the ordinary machinery of appeal to the Insurance Committee would remain. It is obvious that where this exception is allowed the necessity for visitation of the insured person by the sickness visitor is greatly increased.

2. Cases of persons undergoing treatment as in-patients in hospitals. We think that in these cases the doctor on the panel should not be required to certify that of which he can have no knowledge, and that the fact that the patient is undergoing treatment in the hospital, attested by a certificate given by some official of that institution, should be regarded as a sufficient support for the claim for sickness benefit.

3. Cases in which insured persons at the close of their illness are sent into the country by the doctor in attendance for the purposes of cure. In these cases the rules of the society will require that the intention to go into the country upon a medical certificate should, in the first place, be notified to the

society, and the certificate thus given might well be accepted as sufficient warrant for the payment of benefit for the time stated in it, so long as the time thus stated does not exceed a fortnight, or possibly three weeks. Where the stay is prolonged beyond the period thus indicated, a further certificate should be obtained from a doctor in the place of temporary residence. Many of these cases, however, of temporary absence from home will be covered by the statement made above as to persons not requiring constant treatment.

4. There remains the very difficult class of case where the patient of a practitioner on the panel is receiving treatment as an out-patient at a hospital. In these cases it may be impossible for a practitioner on the panel to certify the facts from his own knowledge, and possibly difficulty may occur in obtaining a certificate from any hospital authority competent to express a medical opinion. We cannot make any general recommendation for dealing with this matter, as the type of hospital in different areas, and the conditions of hospital practice differ widely. We would suggest therefore, that it should be settled locally in each area by arrangement between the Committee representing the practitioners on the panel, and the hospital authorities, and we would urge upon them that, in endeavouring to arrive at an adjustment in the matter, they should bear in mind the extreme injustice done to an insured person, who is unable to obtain the necessary evidence for establishing his claim for benefit, and the fact that the primary duty to furnish him with that evidence rests upon the medical practitioners who have entered into arrangements for the treatment of insured persons generally, and receive remuneration therefor.

GENERAL CONCLUSION AS REGARDS MEN'S INSURANCE.

154. On a survey of the facts and tendencies set out in the preceding pages we are forced to the general conclusion, in the case of men's societies, that a large part of the excessive payments on account of claims for sickness benefit must be attributed to defects in the administration of the societies and to the carelessness and the inaccuracies of the medical profession. On the other hand those societies on which excessive claims have not been made would have shown a more favourable result but for these counteracting influences.

SPECIAL CONSIDERATIONS AFFECTING WOMEN'S INSURANCE.

155. In judging the experience of societies composed entirely or partially of women, other considerations must necessarily be taken into account. The data available for a computation of the premium necessary to cover the insurance of women were inadequate as the basis of any trustworthy estimate. The past experience of those friendly societies which have at any time undertaken the sickness insurance of women also shows that that insurance had peculiar difficulties of its own, and could be undertaken only under restricted conditions. The problem of supervising the behaviour during sickness of married women and the complications introduced into the problem of insurance by illnesses during pregnancy presented difficulties which, among other reasons, led to the comparative failure of the sickness insurance of women. Under the Act there is every reason to believe that except in certain societies, in which, for example, domestic servants or women of the semi-professional class have been aggregated, the amount expended in respect of women considerably exceeds the actuarial provision. Some of the causes to which this has been attributed may be enumerated.

CAUSES FOR EXCESS.

Ignorance of Principles of Insurance.

156. It has been repeatedly stated that the attitude of women towards insurance differs from that of men, and that there is among women a more wide-spread ignorance of what is involved in insurance. This is attributed largely to their previous lack of training in insurance and to the fact that the overwhelming majority of insured women have now entered into insurance for the first time. The words of one witness may be quoted as representative of many who professed this view. "A "woman on the other hand would clearly feel, and does feel, that if she does not get "out more than she has paid in she is losing something. I think that it is a result of

" a misunderstanding of the principle of insurance, and a want of that education which " a man has had for many years. It is her natural desire to do the best she can for " herself " (*R. Smith, Q.* 12,457).

Proportion of Ill-paid and Ill-fed among Women.

157. The higher rate of claims among women is also largely attributed to the fact that the total number of insured women includes a very large proportion of ill-paid and ill-fed persons, who have had little education in the care of their health, and who, in most cases, have no one to prepare the meal which should be ready for them on their return from work, and, therefore, live on unsuitable food (*Clayton, Q.* 3105–7 *and* 3112; *Gray, Q.* 5606; *Willson, Q.* 5749; *Wilson, Q.* 41,003–8.

Approximation of Sickness Benefit to Average Earnings.

158. There is the further fact that 7*s.* 6*d.* a week bears a larger proportion to the average woman's wage than 10*s.* does to the average man's wage, and that among a very large class of women engaged in poorly paid industries or in casual occupation, the benefit under the Act represents a sum as large as, or larger than, the average weekly earnings (*Shaw, Q.* 6805; *Daniels, Q.* 13,832: *Hollins, Q.* 9100, &c.) Over-insurance in the case of men generally arises from multiple insurance and thus, as has been indicated in an earlier paragraph of this Report, in many cases affects the more prudent and consequently the more healthy class of working man, but in the case of the women now referred to, large numbers, even when capable of work, are at all times in an unsatisfactory state of health.

Difficulty of Supervising Behaviour during Sickness.

159. The excessive sickness claims paid in the case of women, and above all, in the case of married women, are further increased by the difficulty of supervising the behaviour of women who are in receipt of benefit. The principle of sickness insurance has always been that the grant of benefit must be made under slightly deterrent conditions, and that certain restrictions must be placed on the freedom of the person in receipt of benefit if he is to be induced to return to work. The witnesses have all been impressed by the very great temptation under which a woman in receipt of sickness benefit labours to take part in ordinary household occupations (*Thomas, Q.* 4194; *J. Duncan, Q.* 3702; *Gray, Q.* 5517). In the case of men, enforced idleness often becomes irksome, and leads to a return to work, whereas the possibility of doing ordinary housework, or, at appropriate seasons, extraordinary housework, may induce women to stay on the funds longer than they otherwise would or may even retard recovery.

Economic Difference.

160. It has been suggested that a further important reason for excessive claims in the case of women arises from the economic difference existing between the average industrial man and the average industrial woman. A larger proportion of the male than of the female insured population have families, and often other relatives, wholly dependent upon them. Abstention from work not only results as a rule in the reduction of income, which is more serious in the case of persons so situated, because of their greater responsibilities, than it is in the case where there are only partial dependents or none at all, but in many cases, both among men and among women, jeopardises the situation of the sick person, and therefore places in peril the source of maintenance not only of himself, but of all dependent on him; and this again is a larger factor in the case of the insured men than in that of the average insured women. Having regard to the combination of all the factors, it is little matter for surprise if girls, and especially domestic servants of the poorer class, should be asserted by many witnesses freely to seize the opportunities offered to them by slight ailments to obtain certificates of incapacity, and to go home for comparatively long periods of rest and change (*Parsons, Q.* 31,241–3).

Illnesses Accompanying Pregnancy.

161. Another reason for the heavy drains made on the funds of women's societies is to be found in the illnesses accompanying pregnancy. The difficulty of providing insurance to cover periods of pregnancy has led in the past, among societies which undertook the insurance of women, to a very general exclusion of liability during

pregnancy. With regard to the precise rights of a woman to sickness benefit during incapacity caused by illness accompanying or due to pregnancy, considerable doubt has been found to prevail, and this doubt reflects itself in the varying action of different societies. Under the Statute, sickness benefit is payable to an insured person "whilst rendered incapable of work by some specific disease or by bodily or mental disablement." Pregnancy being a natural process is not in itself a disease, and therefore it is widely felt by societies that if a woman is disabled by pregnancy alone, if such an expression is permissible, she cannot thereby be entitled to sickness benefit (*Clayton*, *Q.* 3336; *Thomas*, *Q.* 4289; *Frith*, *Q.* 8810; *Hollins*, *Q.* 9205; *Lamacraft*, *Q.* 9919; *Poulton*, *Q.* 10,656; *R. Smith*, *Q.* 12,401). If, however, the incapacity is due to a complication of pregnancy (inasmuch as the incapacity is due to something abnormal, or pathological), the incapacity can be said to be due to a specified disease and benefit thereupon becomes payable (*Thomas*, *Q.* 4660; *Frith*, *Q.* 8815; *Lamacraft*, *Q.* 9919). The Committee are, however, satisfied that neither in theory nor in practice is it possible to maintain this distinction. In the view of the medical profession, it is extremely undesirable, in the interests of the woman and the coming child, that the woman should continue to work during certain stages of pregnancy, especially during the weeks immediately preceding confinement (*Routh*, *Q.* 35,849). If it is the doctor's opinion that the woman should rest from work, there is abundant evidence that he has little difficulty in finding a complication which, in view of the state of the law indicated above, would entitle the woman to benefit (*Hodgson*, *Q.* 26,138; 26,147). It may, however, be argued that it is not possible to define what is meant by the phrase "complication of pregnancy," and that a complication is largely a question of degree; there is a point, which is difficult to decide, at which it can be said that complication begins (*Bond*, *Q.* 18,854–5). In this view then a complicated pregnancy does not differ from an uncomplicated pregnancy in kind, but only in the degree to which certain symptoms are present. The distinction is further, not only one which breaks down in practice, but in the opinion of the Committee, is also indefensible in theory. If, as is stated, a normal state of pregnancy does not involve incapacity, where incapacity does exist there must be something present to cause disablement in addition to the pregnancy. This additional incapacitating cause may be merely a previous condition predisposing the woman to weakness, or it may be an undiagnosable factor which cannot yet be determined by the resources of medical science. It has been argued that, pregnancy being a natural process, the fact that certain women can go through the period of pregnancy without incapacity, while others are thereby incapacitated, and the further fact that in the same woman a pregnancy involving incapacity may follow a pregnancy in which incapacity is not so involved, is a clear indication that when incapacity does accompany pregnancy the incapacity is due to something, known or unknown, other than pregnancy. If this be so, the test to be applied in cases of incapacity during pregnancy, does not differ from that applicable in other circumstances. The only question to be asked is whether the woman is thereby rendered incapable of work. If she is, sickness benefit is payable under the Act, and the question whether the incapacity is, in popular language, "due to pregnancy" is irrelevant.

Confusion in Practice of Societies on this Point.

162. On the other hand, if this view were accepted it would be necessary to make it clear that incapacity is an essential element in the title to benefit. In present circumstances the facts that in the vast majority of cases women in the later stages of pregnancy are unable from physical causes to continue at industrial work, and that employers in many cases require women in the later stages to abstain from work without considering closely whether they are physically incapable, have led doctors, insured persons, and in some cases societies, to disregard the necessity for applying this criterion, and, acting in conjunction, to place pregnant women upon the fund without regard to incapacity at all. During the last few weeks of pregnancy, indeed, the fact of incapacity is in many cases so patent that a close consideration of each case has not been necessary. This, in the early months of the operations under the Act, led many to the conclusion that pregnancy alone, without any incapacity, is at any stage a title to benefit, and a pregnant insured woman finding that her neighbour in the like condition is receiving sickness benefit is unable to understand why that benefit is denied to her. As a natural result, some societies which have found pregnancy to be a great drain upon their funds, have been impelled to the opposite extreme, and have refused to pay any pregnant women whether incapacitated or

not (*Thomas*, *Q.* 4289); even, in some cases, when pregnancy is accompanied by some other disabling condition (*Jones*, *Q.* 41,540).

Prevalence of Sickness among Women.

163. Beyond these contributory causes to the fact that the sickness claims in the case of women exceed so greatly the actuarial expectation, there can be little doubt that the main cause of the excess lies in the fact that the incidence of sickness among women employed in industrial occupations generally is heavier than was anticipated, or could have been calculated, when the actuarial estimate was framed. This fact, which we regard as fully proved, is put in different ways by different witnesses. Thus one witness with a long experience of the management of a women's sick club says: "We are convinced that our sickness experience is right, "that these girls ought to be paid and that they would have been much longer "ill if they had not been paid," (*Gray*, *Q.* 5501—*see also* *Q.* 5647–51 *and* *Q.* 5505). A witness, who was inclined to attribute a considerable proportion of the excess to what is called malingering, on the part of women, agreed at the same time that "women are weaker than men" and that, "it would be natural to expect more sickness from women than from men." (*Sanderson*, *Q.* 512–3). Another witness of great experience says, "We had not realised that it would be so much. We "thought that young women would be more healthy. We have found a great deal "of anæmia and debility which we attribute to conditions of employment" (*Macarthur*, *Q.* 14,116), and the same witness says, that "probably if adequate treatment were "forthcoming, the disparity between the men's and women's sickness rate would "be less. I do not think that it would disappear, but it would be less (*Q.* 14,448).

164. On the medical side, the point is pressed by many witnesses. "I am under the disadvantage," says Dr. Bond "of only speaking locally, but with regard to the "facts I have gained locally, there does seem to be great disparity on the side of "women . . . I think the underlying basis is greater in the case of women. "Whether it is absolutely level, and equal to the claims is another matter, but there "is an underlying excess of actual want of bodily health, depreciation of health, "in women as against men" (*Q.* 18,723–4). Again he says: "I should think that "locally there is a considerable excess among women, except in certain classes "of women; for instance, domestic servants . . . I am inclined to think that "there is more sickness among women than among men, which has become revealed "by the Insurance Act and that it is normal to the condition of the population under "our industrial conditions. I am inclined to think that there is an underlying "element of increased predisposition among women which has become modified "to a certain extent by possible psychological reasons towards increased claims ". . . . . I think the legitimate impression among medical men is that "sickness incidence . . . . is greater among women than among men" (*Bond*, *Q.* 18,875–83).

165. Another doctor states "there is not the slightest doubt that women, for some "reason or other, are ill oftener than men; they suffer from more complaints than "men. That is to say, they consult the doctor more, and they seem to be ill oftener" (*Bennett*, *Q.* 16,510). This view is supported by Dr. Rogers, who says, "I think from "my experience, not as an adviser, but as a medical man, that certainly the female "sex are more liable to ailments, especially among the working classes" (*Q.* 15,953). He excludes from the generality of this statement infants and young children, but speaking of women from 14 years upwards, is of opinion that they are more liable to disease (*Q.* 15,958). Dr. Broster, who has already been quoted with reference to the amount of real illness with which he has been brought into contact under the Act, associates this more with women and girls, and means, not women's diseases, but "general ill-health . . . all sorts of illness and disease" (*Q.* 37,520–22). Dr. Richmond, in commenting on the impression of low vitality made upon him by many of his patients, says that this "is much more pronounced in the case of the women" (*Q.* 38,388).

166. Some witnesses are inclined to attribute this excessive predisposition to disease in the case of women principally to conditions of past child-bearing. Thus one witness attributed it to the fact "that the health of married women is affected by their "child-bearing functions" (*Macarthur*, *Q.* 14,108) and states that "the bulk of the "diseases of the married women can be traced to special diseases, and troubles in "connection with childbirth" (*Q.* 14,196). Dr. Bond, while accepting the view that this "is a big factor," points out that "there are also the beginnings of illness in "the puberty period and the anæmias of young women" (*Bond*, *Q.* 18,884). Dr. Cox thinks that "a great many of them were evidently due to maternity sickness

" and a great many of them may be put in the arrears of sickness class of cases " where women have gone back to work too soon after confinement, and have got " various chronic complaints which are now being discovered " (*Cox*, *Q.* 30,829).

167. It may be safe to assume that some part at least of the excess of illness among women is due to these latter causes, but apart from them the evidence would appear to substantiate the allegation that women among the industrial classes are more liable to sickness than men.

Relation of Premium to Risk.

168. Assuming that women of the industrial classes, generally speaking, are more predisposed than men to sickness, it would still be possible that the premium fixed under the Act should be adequate to the benefit insured. The Manchester Unity figures which, as we have already pointed out, served, heavily weighted, for the calculation upon which the premium and policy money were based, took account of the varying conditions under which men worked, and may be taken to represent (especially having regard to the experience revealed by the working of the Act itself), a fair estimate for the average risk in the case of men. When we find, however, as we do in the case of women, that the results disclosed by experience exceed so greatly the provision made, it appears reasonable to attribute a large part of the realised excess to the fact that the data, even as weighted, were still insufficient to measure the genuine sickness risk of women.

GENERAL CONCLUSIONS AS REGARDS WOMEN'S INSURANCE.

169. In considering, therefore, the results in the case of women, we are forced to the conclusion that the experience exceeds the provision made under the Act.

Apart from the general causes already noticed in the case of men as tending to aggravate claims, which we find present also in the case of women, we attribute this result in the case of women to the following special causes, namely :—

(1) special difficulties in relation to the sickness insurance of women, noted above ;
(2) the difficulties and uncertainties arising in connection with pregnancy sickness, which have already been noted ;
(3) the fact that the sickness of women is in excess of what was anticipated in the actuarial estimates for the Bill.

SUGGESTED REMEDIES.

WOMEN'S INSURANCE.

Special Difficulties.

170. As a cure for the first evil, we can only trust to the general education of the whole population, and especially of women, in the principles of insurance, and in especial to the further introduction of women in the active work of managing and administering the societies in which they are insured—a subject to which we shall find it necessary to recur at a later stage of this report.

Pregnancy Sickness.

171. As to the second cause, we are of opinion that it should be made clear that a woman disabled by pregnancy from following her ordinary occupation should be entitled to sickness benefit. We have already drawn attention to the difficulty of determining the extent of incapacity when it arises from this or some other cause cognate with it. As a means of lessening these difficulties, we suggest that in the last month of pregnancy, when it may be assumed, as a general rule, without further inquiry, that the woman should not go to her work (*Routh*, *Q.* 35,849–51 ; *Oldham*, *Q.* 37,618), it should be assumed that she is in fact incapacitated, and that an automatic payment should be made to her in respect of the last month upon the statement, supported by a medical certificate, that she is at that stage of pregnancy. Our evidence appears to show that during the previous months, incapacity may occur from causes connected with the pregnancy at any time, and may again disappear. In these stages of pregnancy, therefore, we suggest that a woman should be entitled to payment if certified to be incapable.

172. It is obvious that, if these recommendations are carried out, they will represent an extension of the benefits granted to women under the Act, and that the contributions of women will not bear the additional weight. It is therefore necessary

that if effect is to be given to them, money should be found from some source beyond that of the finance of the Act itself, and we are unable to suggest any such source except the National Exchequer.

173. So far as possible the grant made for this purpose should not be mixed with the general benefit funds of the societies. If the grant were paid to them in such a way as to expose them to a risk of loss in administering it, or enable them to make a profit upon it, the result would be to destroy the financial framework of the Act. We attach the greatest importance to the maintenance of the principle of surplus and deficiency set out in the Act itself, and further we are anxious that societies which have in the past found themselves in difficulty in, as they think, protecting the funds against an undue drain from this source, should not be impelled to husband this grant at the expense of the women whom it is intended to benefit. We therefore recommend that it should be a principle of the allocation of this grant that it should be so allocated as to cover the actual cost to which each society is put by the carrying out of the recommendation, without increasing the amount available in the funds of the society for any other benefit.

Excess of Sickness among Women.

174. As to the third point, the information available when the original actuarial estimates were framed did not allow of an accurate prediction as to the probable justifiable sickness claims of women. Had such an accurate prediction been available, it would have been possible to fix the rate of contribution and the rate of benefit at such a figure as was justified by the previous experience. If Parliament therefore could have known all the facts, they could have fixed the woman's contribution at a higher figure than 6*d.* or her benefit at a lower figure than 7*s.* 6*d.*, on the assumption that public opinion would have supported either a higher contribution or a lower rate of benefit. It is now obviously impossible to increase the contribution or to reduce the rate of benefit. It would be possible that a direct contribution from the State should redress the discrepancy. We are, however, unable to recommend this course. A grant from the State generally to the funds of women's societies would necessarily be unmeasured, and such a proceeding would not only impose upon the State an obligation which it could not reasonably be asked to face, but also would be inconsistent with the whole scheme of the Act, with self-governing societies, and with the machinery of valuation.

175. We therefore recommend that the difficulty should be met by increasing the amount of the premium paid immediately to each society in respect of each woman member. In present circumstances the weekly contribution of each woman member is divided into two portions, one of which flows to the society directly by way of premium, while the remainder is set aside for liquidating the sums credited to all societies by way of reserve values. We suggest that the proportions in which the contribution is so divided should be varied so as to produce financial equilibrium, with the necessary result that the sum available for redeeming reserve values in each year will be proportionately reduced. It appears to us to be of overwhelming importance that the solvency of societies generally should be secured immediately, even at the expense of delaying for a period, which we do not anticipate need be a long one, the time at which the benefits of the Act are extended generally, and we think that the whole insured community may justly be asked to submit to this postponement in the interests of the women, whose insurance is of importance, not only to the whole community of industrial people, but to each of the homes in which they form a part.

RESULTS OF SEGREGATION.

176. These statements and recommendations do not take account of a fact referred to in an earlier paragraph of this report, that the segregation into different societies of different classes of lives has produced in some cases an experience much above, in others an experience much below, what would have been a proper experience for a representative selection of the whole insured population. As has already been indicated, the effect of entrusting the administration of sickness benefit to approved societies, which are self-governing bodies, possessing the right of rejecting any applicant for membership on any ground other than the ground of age, has necessarily been that various approved societies have acquired certain marked characteristics of occupation, principle, or general position in life. A similar result is obtained in those cases in which a society operates only within a limited geographical area. In all

those cases the membership of the society does not represent the average of the whole insured population, on which the actuarial calculations were based, and the segregation of the various classes of the insured population into separate societies deflects the experience.

177. In certain fortunate societies, lives which are better than the general average of the insured population have been segregated. In others, the societies draw their membership from a trade which is unhealthy, or which demands an unusually high standard of physical fitness, or from an area where the general conditions of life are inimical to health. In so far as the favourable experience of one society depends on its having been able to restrict its membership to healthy lives, it is obvious that in a national scheme based on a conspectus of the whole population, its prosperity is purchased at the expense of some other society with a preponderance of excessive risks in its membership (*Sanderson, Q.* 209 ; *Macarthur, Q.* 11,534 ; *I. Wright, Q.* 22,224). The consideration of these cases is complicated by the fact that in many instances the unfortunate results which certain societies have experienced are in part due to mismanagement and lax administration. For the present it may be observed that in so far as the payment of excessive claims has been due to mismanagement or laxity, there is no reason why a society should be relieved of the results of its careless administration. It is, however, unreasonable that one society should suffer merely because it has admitted to membership a proportion larger than its due share of those lives which, it was assumed on the calculation originally made, would be proportionately distributed throughout all societies. It need, perhaps, scarcely be added that from the point of view of the member of such an approved society, who pays contributions at the same rate as a member of a more favourably situated society, the inequality is even more strongly marked.

178. It is sometimes argued that this result should be redressed by taking from those societies which produce surpluses on valuation such proportion as is due to the fortunate segregation and devoting it to the relief of those at the opposite extreme. Such a proposal might have formed part of the original scheme of National Insurance, though the difficulties of ascertaining the amount to be diverted would have been in practice almost insuperable. The contract which the Government has made with each approved society (and through the approved society with the members) contemplates that the society should have the benefit of any surplus, and that, where that surplus is due to a prudent choice of associates by the insured person, that prudent choice should result in monetary gain. It is on this principle that the flat rate of contribution and benefit has been defended ; and if it were deleted from the Act, it is difficult to see by what arguments consistent with an insurance scheme the flat rate of contribution or benefit could be maintained. We must therefore reject this solution of our difficulty.

179. At the same time it appears to us that the total funds collected for the purpose of insurance may reasonably be used to redress the balance, leaving the surplus of each society to enure for the benefit of the members of that society at each valuation, while postponing for the whole insured population the period at which a general extension of benefits can be made. If Parliament should make any contribution towards this purpose, the effect would be to diminish the charge on the Sinking Fund.

MISCELLANEOUS MATTERS.

MACHINERY OF COMPLAINT.

180. There are certain miscellaneous matters to which we ought to direct attention. In the first place we are impressed by certain defects in the machinery provided under the Act, regulations, and rules of approved societies for dealing with complaints made by or on behalf of insured persons. It is essential that the machinery of complaints should be easily accessible and expeditious in its working. There is reason to believe that this machinery has not worked so efficiently as might have been desired.

Questions between insured Persons or Societies and Doctors.

181. With regard to questions arising between insured persons and doctors, or between societies and doctors, on the subject of the medical treatment given, or with reference to matters of certification, each Insurance Committee is required under the Medical Benefit Regulations to form a Medical Service Sub-Committee, consisting of

an equal number of representatives of the medical profession and of representatives of insured persons with an impartial chairman, to which all such questions are automatically referred. In the earlier period of its existence it may, however, be observed that this automatic reference applied only to cases arising between the insured person and the doctor, and, while it was open to the Insurance Committee to refer other cases to the Medical Service Sub-Committee, it did not become compulsory to refer to them cases arising between the society and the doctor until January 1914. Primarily the Medical Service Sub-Committee is concerned with questions arising in connection with the administration of medical benefit, but inasmuch as questions of certification now come within its purview, it is of importance to consider how far it plays, in the general working of the Act, the part for which it was designed.

Lack of Confidence in Medical Service Sub-Committee.

182. The society representatives who have appeared before us have repeatedly expressed a want of confidence in the machinery so provided, and an unwillingness to put complaints to the test. In some cases this may be due to a misapprehension of the functions of the Insurance Committee and the Medical Service Sub-Committee, as in one case brought to our notice, where the disinclination to invoke the established machinery was partly due to the fact that a complaint informally and orally made had not been followed up (*Appleton*, *Q.* 12,092–4). There is, however, evidence that society officials are unwilling to press cases in which they may have legitimate cause for complaint. Thus we are informed that they have a general idea that "the "tribunal is so difficult of access, and it is so difficult to prove their case"; also in rural areas it sits a very long way off (*Hyner*, *Q.* 19,156–60). Another witness said with reference to the question of referring complaints to the Insurance Committee, "There is no good in taking matters up with them. I do not get much help from "them . . . . . they seem to have a bias" (*Pimble*, *Q.* 37,103–4). The evidence of representatives of Insurance Committees further supports the view that there is an unwillingness on the part of societies to bring forward for investigation cases complained of. Thus in the case of one large town where 37 complaints had been dealt with, the witness expressed the view that undoubtedly there had been many other instances in which complaint could have been made, but that the approved societies seem to prefer to take these matters up with the doctor direct (*Parrott*, *Q.* 20,968–9). In another area the witness stated that, on being invited to produce the specific complaint, "they say that they cannot at the particular moment, and "generally we do not hear any more about it" (*Lilley*, *Q.* 34,055). In the area of another Insurance Committee we were informed that, although the Medical Service Sub-Committee had been constituted, it had not yet met (*Morland*, *Q.* 34,784). In Lancashire there was no occasion for constituting a Medical Service Sub-Committee in 1913; but one has now been constituted, and at the time when evidence was received there were two cases ready to be referred to it (*Clare*, *Q.* 36,359–62). In Bradford only five complaints went to the Medical Service Sub-Committee in 1913. (*Flather*, *Q.* 36,916). In Leeds also, the number of cases referred to the Medical Service Sub-Committee has been insignificant, as it was stated, because, although complaints are made, there is extreme difficulty in getting the subject of complaint stated in writing (*Buckle*, *Q.* 39,602).

Powers and Responsibilities of Approved Societies in the matter.

183. On the situation of affairs thus disclosed certain observations may be offered. In the first place the Insurance Committees, as constituted, are to a very large extent in the hands of approved societies, if approved societies care to exercise their powers, since a majority of the members of the committee are representatives of insured persons appointed by approved societies. It is therefore idle for societies to represent, either by their words or by their actions, that they cannot expect to receive sympathetic consideration from Insurance Committees. Secondly, societies must realise that the evils of which they complain cannot be stopped, unless they are prepared themselves to push to a conclusion those cases of which they complain. In the course of our inquiry numerous cases have been brought to our notice which, on the facts stated have called for action, but in which the society has remained passive, apparently in the belief that no effective action could be taken. Many of the cases complained of are of such a character that if one case were carried to a conclusion other cases of a similar nature would be prevented at least in that area.

Societies complain of many irregularities on the part of medical practitioners, but, until they take the obvious steps to bring definite instances of the irregularities complained of to the notice of the Insurance Committee, they must be held in part responsible for the continuance of the evils of which they complain. Thirdly, the fear of offending the doctor, which it has been suggested operates in restraining the officials of friendly societies from bringing forward definite charges (*Parrott, Q.* 20,982–3) is a misplaced sentiment. In the interest of the doctors themselves it is desirable that the incessant undercurrent of grumbling should be definitely put to the test, and it is difficult to believe that most doctors would not prefer to have a definite charge brought against them, rather than to have their work constantly subjected to a fire of criticism, which can rarely be met, because it is so seldom definitely formulated.

Disputes between the Insured Person and his Approved Society.

184. The other aspect of machinery of complaint is that which relates specifically to sickness benefit. The manner in which disputes of this nature are dealt with is a matter to be determined by the rules of each society. From the final decision of the society, however it may be arrived at, there is under the provisions of the Act an appeal to the Commissioners. With this final step in the procedure of deciding a disputed claim we are not at present concerned, but in the internal machinery of societies for dealing with disputes, certain defects have been brought to our notice.

185. In the first place there is reason to believe that the fact that the insured person has the right of appealing in case of disputes to a tribunal established under the rules of the society has not sufficiently been made known to insured persons. Members of societies are frequently not in possession of a complete copy of the rules of the society to which they belong, and even where they are, it is represented that they do not trouble, or are not competent, to acquire from the rules a sufficient knowledge of the means provided for obtaining redress. This is of more importance inasmuch as there is ground for believing that in many cases societies act in a somewhat arbitrary manner in putting the insured person off the funds. To take a simple illustration, the Committee has found a considerable confusion of thought with regard to the position of an insured person who, while in receipt of benefit is found doing light work in contravention of the rules of the society. The insured person's title to benefit rests on his incapacity for work, and while he continues incapacitated he is entitled to sickness benefit. While he is incapacitated he is required by the rules not to do certain things, *e.g.*, he must not be guilty of conduct likely to retard recovery, he must not be out after certain hours, and in some cases he must not do any work. Violation of these requirements exposes the insured person to a penalty for breach of rule, but his title to benefit may remain intact. The fact that a person does work while in receipt of benefit may or may not furnish evidence to repel the allegation of incapacity, but the fact that a person has been found intoxicated, or out after hours, or knitting stockings, is quite compatible with his being still incapable of work in any reasonable sense of the term. Many societies, however, interpret a breach of the rule as to behaviour during incapacity as sufficient proof that incapacity has ceased, and accordingly in these cases refuse to pay benefit. Under the rules, however, the society is merely entitled to fine, or sometimes to suspend the insured person who, if incapacitated, is still entitled to sickness benefit. It is necessary that the insured person should be informed precisely in writing of the charge made against him, of the rule under which the charge is made, and the penalty which may be inflicted, and, upon the decision being arrived at, of the penalty actually inflicted, the number of the rule relating to appeals, the number of days within which an appeal may be lodged, and the official with whom it may be lodged. We think that every insured person should be supplied on admission with a copy of the rule book of the society free of charge.

Defects in the Machinery of Societies for Dealing with Disputes.

186. In the domestic machinery for dealing with disputes certain defects may also be noted. It has been represented that in some cases the requirement of a deposit, before a dispute can proceed to arbitration, acts as a deterrent to insured persons who would otherwise desire to prosecute their claims. Secondly, owing in certain cases to the infrequent meeting of the supreme body of the society, a final decision is not arrived at with that celerity which should accompany justice. In one case brought to our notice the possibility of a dispute remaining undecided from June until April of the following year was contemplated (*R. Smith, Q.* 12,300). A further

point in which amendment appears to be desirable is with regard to the procedure to be adopted in the case of disputes arising on the claims of women. Much evidence has been received of the unwillingness of women to serve on committees of societies in connection with the administration of the Act, and in many cases the committee which deals with claims consists entirely of men. Where, in order to support her claim, it is necessary for the claimant to appear in person before the committee, the knowledge that she will be confronted by a body consisting exclusively of men is in many cases certain to exercise a deterrent effect on the mind of a member inclined to press for redress of what she regards as a grievance. In one example brought to our notice an unmarried pregnant woman of 21 had, in order to prosecute her claim, to appear before a committee consisting entirely of men (*R. Smith*, *Q.* 13,207). Such a procedure is pre-eminently undesirable, and societies should take steps to guard against such possibilities by providing that there shall be an adequate number of women on each such committee. As an example, in one case brought to our notice, when women members appeal, they are met by a committee of women. "In many cases," said the secretary, "I am out of the room. I know in advance "what the cases are. I give the particulars, and leave them to it" (*Daniels*, *Q.* 13,927).

187. There is some evidence that some societies have taken administrative action outside the sanction of their rules. Whether such action is in itself desirable or not, it is obvious that the strict procedure of the rules should be adhered to.

WOMEN IN RELATION TO THE ADMINISTRATION OF THE ACT.

Women's Part in Administration.

188. The difficulties of dealing with women's disputes are, however, but a part of a larger problem. The Act of 1911 specifically required that women in receipt of sickness benefit should only be visited by women. It appears to the Committee that the principle thus laid down by the statute is capable of extension, and that a smoother administration of the Act would be secured, if the claims of women under the Act were more extensively dealt with by women officials. If it is necessary that women's certificates should be handled locally by men in some cases, a feeling of unpleasantness would at least be avoided if steps were taken to secure that any discussion arising between the woman and the society should be conducted on their side by women. Where the claims are handled locally in the office, every care should be taken to narrow the possibilities of unpleasant gossip, to emphasise the confidential nature of the information upon the certificate, and to increase the sense of responsibility for silence upon those in charge, whether men or women. A doctor who had issued a certificate for "internal trouble" informed the Committee that "a day or two later the patient came and told "me that when she took the certificate to the office, which was full of men, the man "in authority had said, 'Oh, internal trouble; we know what that means. There will "'be inquiry made into this.' Of course he had no idea of what it meant, but the "suggestion was offensive" (*Claydon*, *Q.* 22,545). Another witness, a secretary of a society, gave evidence to the effect that he found it a source of embarrassment in certain cases to have to deal with women's certificates. "When a woman brings a "certificate with 'gastritis,' and I ask her, is she pregnant, she tells me to mind my "own business. I was told that twice in one week" (*Jones*, *Q.* 41,209). Considerations of this character have led, in the case of one woman's lodge of the same Order, to the conduct of business being almost entirely entrusted to women. The clerks engaged in the office are women, and the witness added "whenever there "is a question of a woman coming to the office, unless she specifically desires to see "us, one of the women clerks sees her" (*Lingstrom*, *Q.* 41,594). The Committee are satisfied that the interests of the insured women members of societies require that women should take a larger part in the work of conducting the societies, and that women should be included in the membership of all Committees concerned with the administration of women's benefits.

Position of Women on Marriage.

189. It has been stated that considerable administrative difficulty, and confusion in the minds of all concerned, result from the provisions of the Act relating to the position of insured women on marriage. Witnesses have stated that they are unable to obtain satisfactory proof with regard to the question whether a woman on marriage continues to be employed (*Wigglesworth*, *Q.* 18,017). Where an insured woman on marriage declares that she is continuing to be employed, a society has difficulty in establishing the contrary, although it may have strong reason to believe that the employment is not *bona fide*, but merely continued for a week or two after

marriage (*Wigglesworth*, *Q.* 18,396–18,410). A considerable number of witnesses referred to the difficulties experienced in cases where, soon after marriage, a woman draws sickness benefit for an extensive period, and then, after confinement, intimates that she does not intend to return to work. "It is a very serious matter," said one witness, adding that the society was helpless with regard to the difficulty (*Peters*, *Q.* 1882–4). Another witness stated that they had had a fairly large number of these cases in which women had given up work only after confinement (*Thomas*, *Q.* 4541). "They seem to have got to know what they can and cannot do," said a witness who dealt at length with this question. "Even when they are intending to "go back to work they will not tell you, except in extremely indefinite language. "They say they may go back. Where are you then?" (*Daniels*, *Q.* 14,951.) Probably, however, the women themselves are often under a genuine misunderstanding as to their rights, and officials are unable to give precise information as to the options open on marriage. The Committee are satisfied that considerable confusion and uncertainty have arisen owing to the complicated nature of the provisions of the Act on this subject and that, as a result of this confusion, it has been possible for women in certain cases to draw benefit in consequence of a misunderstanding as to their status, while in others a failure to apprehend the section may have caused a loss of benefit. It is, as yet, too early to draw definite conclusions as to the effect of the section, either in the case of the individual women concerned, or on the action of employed married women generally.

THE ADEQUACY OF THE MEDICAL SERVICE.

Specialist Services and Institutional Treatment.

190. The extent to which claims for sickness benefit are made necessarily depends to a considerable extent on the adequacy of the medical service provided, and the Committee has endeavoured to elicit from the medical witnesses who have given evidence how far in various areas the medical treatment which is comprised in medical benefit is supplemented by the services of specialists or by institutional treatment. Under his agreement with the Insurance Committee a doctor is required to give such treatment as can, consistently with the best interests of the patient, properly be given by a general practitioner of ordinary professional competence and skill. When the treatment required falls outside the scope of medical benefit so defined, it is the practitioner's duty to advise the patient how the necessary treatment can be obtained. In general, the practitioners who have appeared before us have stated that they experience little difficulty in obtaining for their patients, where necessary, medical treatment outside the scope of medical benefit. In the case of Liverpool, one witness said that, "the consultants in the hospitals, physicians and surgeons, demand "a note or card from the doctor attending the patient. Each person that comes up "for out-patient treatment is asked if he is an insured person, and, if so, whether he "has brought a note." He added that he himself had never found any difficulty in getting a case attended to (*Bennett*, *Q.* 16,387–8). In the case of operations there is no consideration whether the patients are insured or uninsured. (*Q.* 16,389). In the case of a Derbyshire practice we are told that "there has never been any difficulty. "We have rendered all the assistance we can in order to get such benefit secured to "them at the hospitals" (*W. Duncan*, *Q.* 17,222–5). A woman practitioner in South London stated that she had had no difficulty either in getting acute cases into hospital (*Burgess*, *Q.* 19,990), or in obtaining a second opinion where this was necessary (*Q.* 20,007). A practitioner in a Durham mining area stated that there was no difficulty in obtaining specialists' services where required, owing to the proximity to Newcastle (*Charles*, *Q.* 20,528). In Oldham it is stated that doctors can obtain free consultations on behalf of insured persons where necessary, and that, although sometimes an insured person may have to wait a little time at the infirmary, there is no practical difficulty in the way of his getting every sort of service that may be required (*Claydon*, *Q.* 22,890–2). A practitioner from Walsall stated that where a second opinion was necessary, it would be obtained from a friend or at the hospital; where institutional treatment was required, there was no difficulty in getting acute cases into the hospital (*Layton*, *Q.* 29,392–8). In a rural area in Cheshire it was represented that such hospital treatment as was necessary could be obtained in Liverpool (*J. E. Phillips*, *Q.* 35,591–35,602).

191. While many medical practitioners are thus able to secure for their patients, where necessary, the advantages of a second opinion and such institutional treatment

as may be required, there is, on the other hand, evidence that in certain quarters the hospital accommodation is inadequate and that sickness benefit claims are thereby increased. One witness specifically referred to the difficulty in securing proper institutional treatment in London for women suffering from diseases peculiar to women (*Richmond*, *Q.* 38,542–5). In Liverpool a similar complaint is made (*Bennett*, *Q.* 16,399–405). It is stated that in the county of Norfolk "there are no special facilities that I know of" for dealing with special women's diseases (*Scarlett*, *Q.* 23,132). Dr. Bond, of Leicester, tells us that there is a large waiting list of patients waiting to come into hospitals (*Q.* 18,813). Dr. Harrison, speaking of Haslingden, says that there is no hospital accommodation in his district at all, and that when cases are sent into Manchester "they have to wait a fair time if they want a bed" (*Harrison*, *Q.* 38,202–5). Among the witnesses who consider that there is no trouble in getting acute cases into hospital, it is realised that in less acute cases which have to wait, there may be an unnecessary drain on the sickness funds of societies during this period (*Layton*, *Q.* 29,401). In such cases sickness benefit is frequently paid during the period of waiting, and thus a drain is caused on the funds of societies which would be avoided if admission to hospital could be secured with greater celerity. Another witness states that "a very large proportion of the hospital accommodation in England is heaped "up in London, and to a lesser extent in the county towns and other places where "consulting physicians and surgeons like to congregate. That leaves large parts "of the country an enormous distance away from any hospital" (*Webb*, *Q.* 27,059). Without expressing any opinion on the adequacy or inadequacy of the hospital arrangements for the needs of the country, or on the extent to which medical benefit under the Act is in fact supplemented, so far as insured persons are concerned, by the gratuitous services of specialists—matters which may properly be the subject of another inquiry—the Committee are satisfied that in a number of cases delay in obtaining institutional treatment leads to a drain on the funds of societies which might be avoided.

Treatment of the Eyes and Teeth.

192. In two cases in particular it has been represented that the absence of treatment has been a contributory cause in the production of excessive sickness claims.

193. Firstly, it is stated that the absence of any provision for dental treatment—which, it may be observed, is a possible additional benefit in the event of a society realising a surplus—has produced much sickness of various kinds resulting in a drain on the sickness benefit funds, which would have been avoided had there been provision for the treatment of teeth (*Macarthur*, *Q.* 11,503). Inattention to teeth results in certain cases in prolonged gastric illnesses, and in a very large group of cases, on which benefit is being paid, no permanent cure is possible until the teeth have been attended to. Even in the event of decayed teeth being removed, there is ground for believing that there is no sufficient means by which artificial dentures can be supplied to insured persons, either gratuitously or at a reduced cost.

194. A second class of cases which has contributed to the production of avoidable sickness claims is those of diseases of the eye or defects of eyesight. In many cases where insured persons are incapacitated, it is contended that the underlying cause of the illness cannot be removed until this defect has been remedied, and, where necessary, spectacles have been supplied. Here again, even if the necessary treatment could be obtained gratuitously from the hospitals or otherwise, there is no method at present by which in necessary cases spectacles can be supplied to insured persons who require them. There is thus ground for believing that in the event of adequate treatment of the teeth and the eyes being provided, together with such dentures and spectacles as may be required, many insured persons who remain for a long period on the funds would be enabled to return at once to work.

REMUNERATION ON CAPITATION AND ATTENDANCE BASIS.

195. There have been allusions in the evidence to another point in which the administration of medical benefit bears on sickness benefit, viz., the relative advantages of remunerating practitioners on a capitation and on an attendance basis. Owing to the fact that the attendance system is in operation in two areas only—Manchester and Salford—it is almost impossible to obtain any comparison from which a definite

conclusion as to the relative advantages of the two systems can be drawn, since many causes, of which this may only be one, may combine to produce a difference between one area and another. Many of the witnesses also have had experience, since medical benefit came into operation, of only the one system operating in the area with which they are familiar. It would therefore be unfair to state a conclusion on the subject without a detailed enquiry. It may, however, be observed that the general view of those who have given evidence on this question is that a system under which a doctor is financially interested in increasing the number of attendances given tends to produce longer claims for sickness benefit, and that this tendency, inherent in any system of remuneration by attendance, is intensified in the areas under consideration by the peculiar facilities offered for the transfer of an insured person from one practitioner to another. (*R. Smith*, *Q.* 12,640 ; *Barrand*, *Q.* 4971 ; *Hollins*, *Q.* 9258 ; *J. Duncan*, *Q.* 3714 ; *Jefferson*, *Q.* 7228.)

APPLIANCES.

196. Our attention has also been drawn by several witnesses to the possibility of excessive sickness claims arising through the inability of insured persons to obtain certain appliances, not included in the list of appliances prescribed under section 8 (1) (*a*) of the National Insurance Act, 1911. It has been urged that it is illogical that an insured person should continue to draw sickness benefit when, by the provision of a suitable appliance, he might be enabled to return at once to work (*Macarthur*, *Q.* 11,503). It is clear that in certain cases the provision of an appliance might enable an insured person to return to work at an earlier date. It has been suggested that a certain discretion might be allowed in the matter (*Macarthur*, *Q.* 11,503), or that where appliances beyond those in the list are required, the case might be submitted to the Commissioners for approval (*Webb*, *Q.* 27,106). The appliances other than those in the prescribed list which, it is represented, are most urgently required are trusses and spectacles, but the desirability of providing certain other appliances has also been urged (*Roberts*, *Q.* 30,005). We have not felt justified in considering this question in detail, but it may be observed that the adoption of any scheme to include in the list of appliances, to be supplied as of right, articles of the nature indicated would be beset by considerable administrative difficulties, and it would be necessary that safeguards should be instituted to prevent abuse.

THE INSTITUTION OF A NURSING SERVICE.

197. Representations have also been received from various witnesses to the effect that a considerable economy in administering the sickness benefit funds of approved societies would result from the institution of a system of nursing of insured persons. The Medical Secretary of the British Medical Association expressed the view that the provision of nursing would very considerably improve the medical service (*Cox*, *Q.* 30,965), and that in many areas a doctor at present experiences difficulty in obtaining a nurse (*Cox*, *Q.* 30,967). Similar evidence was received from one of the witnesses who appeared on behalf of the Association of Registered Medical Women (*Claydon*, *Q.* 24,685–6). One witness considered that inadequate nursing "is respon-
" sible for a great deal of our present excessive sickness benefit claims" (*Macarthur*, *Q.* 11,503), and the evidence of those engaged in connection with the work of nursing shows that in many cases the period of incapacity would be lessened by an efficient system of nursing (*Puxley*, *Q.* 36,776). In the event of a system of nursing being instituted it is desirable that the service so established should be brought into intimate relation with the medical service now existing. It is essential that in any such scheme the nurses should work with the doctors (*Puxley*, *Q.* 36,808). A medical witness suggested that the scheme should be administered by Insurance Committees (*Bond*, *Q.* 18,614) and this view was supported by a witness speaking on behalf of nurses who emphasised the fact that the relationship between the doctor and the nurse must not on any account be interfered with (*Puxley*, *Q.* 36,807). It hardly requires argument that a quicker return to health would result from the institution of a system of nursing in serious cases, and this appears to be recognised by section 21 of the Act of 1911, though unfortunately no funds are available for bringing that section into effective operation.

MEDICAL REFEREES.

Necessity of producing a firmer attitude on the part of Doctors with regard to Certification.

198. In a previous paragraph of this report reference was made to the desirability of providing a second medical opinion on the question of the insured person's incapacity for work, on the grounds, firstly, because in a certain number of cases the doctor may be in a state of honest doubt, and may desire to be supported in his view by another practitioner, and secondly, because as has already been indicated, there is evidence of hesitation on the part of practitioners to declare persons off the funds owing to the fact that proper action by the doctor may result in financial loss to him. The Committee is satisfied, in view of the evidence, that it is necessary that immediate steps should be taken to produce a firmer attitude on the part of the medical profession with regard to improper claims for sickness benefit. The tendency to issue certificates in order to comply with the wishes of the insured person cannot be dissociated from the failure of many of the practitioners to realise their obligations to the whole machine of which they form a part. We have seen that it has been repeatedly urged by representatives of approved societies that doctors do not feel their responsibility towards, nor manifest that interest in, the State scheme of insurance which was formerly in certain cases felt towards the friendly society of which they acted as the medical officer. The Committee have not, however, found any strongly expressed desire on the part of representatives of approved societies to regain what was popularly known as the "control of the doctor." Large classes of approved societies have no desire to undertake the administration of medical benefit, and even among those societies which have in the past provided it, while in certain cases the passing of former conditions is regarded with regret, there is little evidence of a universal desire to return to them. One Secretary of an affiliated order indeed expressly stated that he did not want the old system back, and that he had not heard much reluctance expressed. "There may have been a lot of talk" he added, "but when you get to the insured persons themselves, you find that they "prefer the choice of doctor, rather than being tied down to a particular doctor" (*Johnson*, *Q.* 26,448–50). Another witness, who stated that he had done his best from the introduction of the Bill to maintain the control of the doctor, now expressed the view that, "There is an entirely new set of circumstances created, and I do not "think that the societies could cope with it" (*Scarlett*, *Q.* 23,112).

Opposition of Doctors to restoration of Friendly Society "Control."

199. It is also abundantly clear from the evidence of medical witnesses that any attempt to induce a better sense of responsibility in the practitioners on the panel by placing them under the control of approved societies would meet the most strenuous opposition of the medical profession. Dr. Cox, in speaking of the question of a *rapprochement* with approved societies, made use of the following words:—"In our "evidence we state that the association will be glad to do anything to help on a "*rapprochement* of the two bodies concerned, only we give the warning note, and I "must repeat it, that that is not at all likely to happen as long as any attempt is "being made by the approved societies to get the administration of medical benefit "into their own hands, and if approved societies made it perfectly plain that the "whole demand was gone, then I believe that *rapprochement* would be very much "easier. Our men are very highly suspicious that the approved societies want to "get back something like the old friendly society system, under which they hope to "control the doctors. The doctors will not touch that system—I can say that "perfectly definitely; whatever else the profession may be divided upon, they are "absolutely united in that. Therefore, there is no good talking about getting the "two bodies together as long as there is any suspicion that that is going on" (*Cox*, *Q.* 30,109). While it has not been suggested that a remedy for the difficulties indicated in an earlier part of this report, could be found in the return to a system of administration of medical benefit, analogous to that in force in the past history of friendly societies, the Committee cannot conceal from themselves the fact that present conditions of certification are defective, and they look for a remedy in the establishment of a system of medical referees, in support of which they have received a large body of evidence both from societies and doctors.

Method of Appointment.

200. If any such system of medical referees is to be established the first question to be considered is by whom they should be appointed. There are three possible bodies in whom appointments can be vested, namely, the approved society, the Insurance Committee and the Insurance Commissioners. In regard to the first of these possible methods of appointment, it should be noted that most of the old friendly societies have in the past made provision for obtaining the opinion in doubtful cases of a medical practitioner other than the practitioner normally in attendance on the patient, and this second medical practitioner has, in effect, discharged the function of a medical referee. Further, most, if not all, approved societies have in their rules expressly reserved power to require an insured person in receipt of sickness benefit to present himself for medical examination to such medical practitioner as the society may designate. This power has, in fact, been used to a not inconsiderable extent by certain approved societies.

201. Serious objections are, however, felt to any solution which depends on the appointment by approved societies of a permanent referee, or of the selection by a society of a medical practitioner to act as referee in any particular case. A society with scattered members cannot, under present conditions, efficiently select a medical practitioner to act as referee in the case of members resident in areas of which the officials of the society have no first-hand knowledge. In the words of one witness "it is a difficult problem. We have simply to hunt up " the names in the directory and we choose the doctor with the best qualifications " . . . . . We look at the qualifications. Practically we choose the first well " qualified doctor we come on" (*Gordon, Q.* 2972 4). Apart from this difficulty there are graver objections to the appointment of referees by societies. It has been very generally contended that there are two conditions which must be satisfied before any system of medical referees can inspire confidence and yield satisfactory results. In the first place, it has been repeatedly urged that the referee should be appointed in such a manner that he shall be in the fullest sense of the word " independent." It is essential that there should not be the remotest ground for a suspicion arising in any quarter, that the referee holds a brief on behalf of either party interested in his decision. It is of great importance that he should have no motive other than a desire to give a true judgment in all cases brought before him, and, as his utility necessarily depends on the confidence reposed in his judgment, it is essential that there should not be a remote possibility of his being regarded as other than impartial (*Oldham, Q.* 37,726) Secondly, it has been represented that the referee should be so selected that he shall not be in competition with practitioners on the panel, in any work in which he may be engaged apart from his duties as referee, and that any relation which he may have with other practitioners shall not affect the discharge of those duties.

202. Judged from this point of view, the appointment of referees by societies furnishes no satisfactory solution. There is a danger lest a referee so appointed may be regarded as having been appointed, not to give an impartial decision, but solely to safeguard the funds of the society. Apart from the question of the impartiality of his judgment in fact, there would be a danger that the suspicion would arise that he might not be impartial ; that having been appointed by the society, his verdicts would be biassed in favour of the society which had appointed him, and against the insured persons whom the society suspected of making improper claims on their funds. Further, the medical practitioners chosen by an approved society to act as medical referees are in many cases necessarily practitioners on the panel who are therefore in competition with the practitioners whose case is referred to them, and from the point of view of the medical practitioner any such system is open to grave objection. There is a consensus of opinion among the witnesses of all classes of approved societies who appeared before us (with one or two exceptions) against the appointments being vested in the societies (*Peters, Q.* 2034, 2102 ; *Thomas, Q.* 4517 ; *Barrand, Q.* 4896 ; *Pearce, Q.* 6188 ; *Jefferson, Q.* 7925 ; *Lamacraft, Q.* 10,076 ; *R. Smith, Q.* 12,871 ; *Daniels, Q.* 13,942 ; *Wigglesworth, Q.* 18,010 ; *I. Wright, Q.* 21,989 ; *Pimble, Q.* 37,142, &c.).

203. A similar consensus of opinion, though perhaps less strongly expressed, has been found among witnesses of all classes against the proposal that referees should be appointed by the Insurance Committees. This feeling appears to be based on various grounds. In the first place, it has been suggested that in order to avoid local pressure and the suggestion of local influence the responsibility of appointing referees should be entrusted to a more central body (*Scarlett, Q.* 23,100). In the second place,

it is felt that the officers so appointed would enjoy a better status and would command greater confidence if they were appointed as servants of the central rather than of the local body, and that in virtue of this higher status a better class of practitioner may be willing to accept service (*Cox*, *Q.* 30,321). Thirdly, it is argued that if referees are to be appointed so that their services shall be universally available it is desirable that there should be a possibility of grading and co-ordinating the service which would not exist in a system of referees appointed by local bodies. The difficulty involved in a system of referees appointed by Insurance Committees would also present unnecessary complications in those cases where a referee might with advantage serve for two or more adjacent areas.

204. The reasons advanced in the two preceding paragraphs have led to the advocacy by the overwhelming majority of witnesses of the appointment of referees by the Insurance Commissioners. (*Scarlett*, *Q.* 23,099; *Paget*, *Q.* 24,199; *Devis*, *Q.* 40,014; *Hyner*, *Q.* 19,278; *Marsh*, *Q.* 32,508, &c.) From certain medical witnesses, however, the suggestion has been advanced that while the appointment should rest with the Insurance Commissioners there should be vested in the local medical committee, or in some body representative of the profession locally, a certain power of suggestion or recommendation (*Bennett*, *Q.* 16,849; *Hodgson*, *Q.* 25,796–9). It has been repeatedly emphasised that a medical referee to be successful must be acceptable to the general body of practitioners on whose cases it will be his duty to express an opinion, but it appears to the Committee that the attempt to secure this by vesting the right of appointment in one body on the recommendation of another would in practice lead to much embarrassment and difficulty. The Committee are satisfied that the body to whom is entrusted the responsibility of appointing referees, to whom referees will be responsible, and by whom, if necessary, they will be dismissible, should have an absolute and unfettered responsibility in the matter.

Whole-time Medical Referees.

205. The obvious method of procedure, to secure a rigid fulfilment of the conditions set out above, would lie in the adoption of a universal system of full-time referees to each of whom could be entrusted a sufficiently large district to keep him fully occupied. Under such a system the referee would be exclusively an official; he would not in any sense compete with practitioners on the panel in any part of their work, and his professional relations with other practitioners would be defined by the conditions of his appointment. Such a system would thus secure complete independence on the part of the referee, whose appointment would definitely mark him off from other practitioners, and render him incapable of having any professional relations with panel doctors of a kind which could, under any circumstances, be regarded as affecting the discharge of his duties (*Oldham*, *Q.* 37,726). Two objections, however, have been urged against the appointment of whole-time medical referees—the first a professional, the second an administrative objection.

The Professional Objection to Whole-time Referees.

206. The objection urged against the appointment of whole-time referees by certain representatives of the medical profession would, if admitted, be a valid argument against such appointments being made either now or at any time hereafter. Referees appointed under these conditions would, it is contended, at once begin to lose those qualities in virtue of which they had been appointed. Their activity would be restricted to the examination of a number of cases at a particular stage, and to the expression in each case of an opinion as to whether or not the patient was capable of returning to work. The referee would have no knowledge of the history of the case, and no responsibility for its future treatment. He would have no opportunity of following the case through its various stages, and would thus be debarred from the exercise of his profession in those ways, which, it is suggested, can alone keep unimpaired the diagnostic judgment of the practitioner. Whatever might be his qualifications on appointment, he would rapidly become inferior from a professional point of view to the doctors whose cases would be referred to him; his theoretical knowledge would become out of date, and from want of practice he would lose his professional skill. In time he would thus inevitably lose the confidence of the doctors on whose cases he would be called upon to express an opinion. The very conditions under which full-time referees would hold their appointments would thus, in the opinion of those who hold this point of view, debar them from efficiently performing the duties which they

would be appointed to discharge. A further objection to the appointment of a full-time referee is that in the case of an officer appointed under these conditions there would be a danger lest, his mind being continually directed to one point, he might thereby become rigid and exercise his functions too harshly as regards insured persons. In the words of one of the witnesses who most strongly emphasized the view that a divorce from active practice would be detrimental to the efficiency of the medical referee, "immediately a medical man becomes a whole-timer, it does not matter what "he was before, he promptly loses the confidence of his fellow practitioners" (*Hodgson, Q.* 25,789); and another witness in the same sense stated, "I believe that only "a man constantly engaged as an ordinary general practitioner is competent to do it" (*Roberts*, Q. 29,846).

207. The view thus expressed is not, however, the predominating view advanced in the evidence received by the Committee. The prevailing opinion of the representatives of approved societies as well as of the medical profession is that the most advantageous system of referees would be obtained by the appointment of medical practitioners devoting their whole time to the duties of their office. On this point much weight must be attached to the evidence of Dr. Cox, who, on information gathered from the local medical committees throughout the country, stated that the preference for a whole-time referee appointed by the Commissioners was as nearly the unanimous feeling among the medical practitioners generally as was likely to be obtained in any profession (*Cox, Q.* 30,313). Dr. Cox, while realising that there may be a danger involved in setting apart certain medical practitioners exclusively for the purpose of acting as referees, does not accept the extreme view indicated above, that a definite official appointment would exercise so blighting an influence on a conscientious and capable medical practitioner, that his powers would be gradually yet inevitably atrophied. On this point his expression of opinion may be taken as representative of the class of practitioner which recognises the danger involved in full-time service, but does not consider them insuperable. "There is a distinct risk," he stated. "After all it is a "matter of balance of advantage. I think a man of that type would be constantly coming "into contact with difficult cases and with all kinds of medical men, and would hardly "fall into the position of a mere detective. I am inclined to think that he would "not be so liable to fall into the position of a mere official" (*Cox, Q.* 30,323).

The Administrative Objection to Whole-time Referees.

208. The administrative objection to the immediate appointment of a system of whole-time referees is in certain respects a more serious one. If an efficient system of medical referees is to be established, it is essential that the service of a medical referee should somehow be made available in the case of insured persons wherever they may be resident. It is not at present possible to estimate with any degree of accuracy the extent of the work to be performed, but if such a service is to consist exclusively of whole-time officers, it is clear that a considerable number will be required (*Cox, Q.* 30,317; *Belding, Q.* 34,206; *J. E. Phillips, Q.* 35,558–62). Difficulties of locomotion alone would probably prevent a referee adequately discharging the duties of his office for an area greater in extent than that of a medium sized county, though it might be possible in many cases to group county boroughs along with the counties or parts of counties in which they are situated.

209. There is, however, a difficulty involved in the fact already indicated above that the extent of the problem has not yet revealed itself, and as it is possible that an efficient system of referees might, when called into being, reduce the amount of work for the referees to do, the number of cases sent to the referees in the earlier stages of the existence of a scheme might be considerably reduced when the scheme had been in operation for some time. The proposal that a complete system of full-time referees should be appointed may thus be exposed to the criticism that if sufficient referees are appointed to deal with the problem now, this number will be found excessive at a later stage.

210. Further it would be necessary that the referees so selected should have had considerable experience of general practice and should be men of high standing in the profession (*Harrison, Q.* 38,111; *Clarke, Q.* 39,290; *Rogers, Q.* 15,556; *Bennett, Q.* 16,665). It appears to the Committee that there might be some considerable difficulty experienced in any attempt to establish at once a service requiring the withdrawal from active practice of so many practitioners of high standing, and there are grounds for apprehension lest the instantaneous selection of a sufficient number of

whole-time referees might involve the appointment of some men not possessing in full measure the desired qualifications.

211. The difficulty of immediately setting up such a system is the greater that the Committee think it essential that, wherever practicable, women practitioners should be among both whole-time and part-time referees, and that all cases in which the women concerned desire it should be referred to them (*Willson*, *Q.* 5797).

Systems of Part-time Referees.

212. On the other hand, a system of part-time referees, which has also been suggested, involves the danger that the other duties undertaken by the practitioners acting as referees may conflict, or be regarded as likely to conflict, with the discharge of their duties as referees (*Cox*, *Q.* 30,812; *Belding*, *Q.* 34,209). If a part-time referee is appointed to act alone, the Committee are satisfied that unless in very exceptional circumstances he must not be a practitioner on the panel for the area in which he is referee. The same consideration may be cogently urged as a reason for debarring from acting as referee any general practitioner in practice in that area since such a practitioner would necessarily be competing against the panel doctors in his area in respect of their private practice. If these cases should be eliminated as impracticable there remain three possible methods of appointing part-time referees:—

(1) A number of panel doctors for the area acting on a rota might serve in that capacity; (2) he might be a consultant in the area in which he is acting as referee; and (3) he might be a practitioner on the panel (or a general practitioner not on the panel) for an area other than that in which he acts as referee.

213. With regard to the first of these suggestions, which is a development of a scheme proposed by Dr. Layton, of Walsall, who, however, contemplates that the panel practitioner in attendance shall be one of the board, it has been pointed out that whilst a panel doctor would oppose any suggestion that his case should be referred to another panel doctor for the same area, the same objection would not be urged against a proposal that his case should be referred to a committee of three acting in a rota, because in the words of Dr. Layton, "we should all be on it" (*Layton*, *Q.* 29,313).

214. It may be observed that the scheme depends on the active and willing co-operation of the panel doctors which it might not always be possible to obtain. Where, however, this willing co-operation can be secured, the doctors might be prepared voluntarily to act on a rota for their own defence in cases in which it appeared to any member of the profession that an insured person ought to return to work. In cases where the further examination is required by the approved society, it would apparently be necessary that a fee should be payable (*Layton Q.* 29,456, 29,727).

215. Proposals for a rota system were not put to any of our society witnesses, and we do not know how far such a plan would receive their confidence.

216. The second proposal is that a consultant resident in the area should be selected (*W. Duncan*, *Q.*17,722; *Hogarth*, *Q.*28,458). A referee from this class of practitioner would be free from any objection based on the grounds that a referee should not in any case be in competition with doctors on the panel. It is, however, possible that his relations to doctors on the panel in his capacity as consultant might be regarded as liable to affect his decision as referee. It is possible that a consultant of good standing would require to be remunerated at a rate which might be prohibitive, and that a younger consultant might not sufficiently command the confidence of the profession. The solution of the problem dependent on the appointment of the referee from the consultant type of physicians is also one which is adapted only to certain areas and certain conditions, and its range of applicability could with difficulty be extended from the area of a county borough to the area of a county. In the event of a scheme on these lines being adopted, it would probably be necessary in all cases to bring the insured person to the referee, as it is improbable that a consultant could, consistently with his other duties, accept an appointment which would involve his visiting the insured persons either at their own homes, or at convenient centres throughout the area. Further, practitioners of this type are not available in every centre of population, and therefore in many cases it would not be practicable to establish a service of referees for a large county by increasing the number of referees by the appointment of one in each considerable centre of population.

217. In the third proposal for establishing a system of part-time referees, the impartiality and detachment represented as necessary in a referee would be secured by selecting a practitioner to act as referee in an area other than that in which he is engaged in practice. In such a scheme as this, no restriction would be imposed on the available field of selection, and it would be possible to choose a general practitioner of good standing on or off the panel. Under this system, in a county borough of moderate size, the referee would be chosen from the adjacent county. In a county or county borough, which is sufficiently large to preclude the possibility of practising throughout the whole area, it would be necessary to divide it into a convenient number of districts, A, B, C, &c., selecting a practitioner in A to act as referee in B, a practitioner in B to act as referee in C, and so on. The field of selection would also, of course, extend to practitioners in adjacent counties or county boroughs. This is the scheme advocated by Dr. Hodgson, of Salford, and is based on the desire to secure as referee a doctor who has not merely the experience and the knowledge of a general practitioner, but who has in his everyday life acquaintance at first hand with the difficulties that a panel practitioner has to encounter. As in the last case, however this solution is only applicable to certain areas, as difficulties of locomotion and the consequent loss of time entailed would render its application impracticable outside large towns and comparatively densely populated areas. As Dr. Hodgson, who suggested the scheme, admitted, "It would work "in large towns . . . in a small country town it would not work" (*Hodgson*, *Q.* 25,786).

Necessity of Referee remaining in touch with Medical Work.

218. Whatever system of appointment of medical referees be adopted it is in our view necessary that every care be taken to avoid the danger pointed out above, that the medical man being employed solely in acting as a judge between an insured person and his society should lose touch with the active problems of his profession (*Bond*, *Q.* 18,561). It is therefore desirable that in any event the medical referee should be required in doubtful cases, not only to give an opinion as to the fitness for work of the person referred to him, but also, if required, an opinion as to the nature of the disease or injury, and as to the course of treatment most likely to be beneficial. We have already drawn attention to the necessity for considering the limitations at present imposed by the Act and the Regulations upon the scope of the medical treatment provided. Our terms of reference preclude us from a detailed examination of this matter, and we venture to suggest that the matter should form the subject of investigation by another committee. Any such committee, if appointed, will in all probability find it necessary to investigate the question of medical benefit in all its bearings, and may, as a result of that investigation, find it possible to recommend the institution of a system more extensive than that now in operation. If so, it would appear to follow that there should be an intimate connection between the persons now appointed to fulfil the functions of referees and that system. Thus as, if anticipations are realised, the duties of those now appointed as referees diminish, there would arise other duties for them more directly connected with the cure of disease. We would, therefore, recommend that in any appointments now made of whole-time referees, regard should be had to the probability of a diminution of purely referee work and of the necessity of appointing such persons only as can find a place in an eventual system of extended medical treatment.

Advantages of Flexible Scheme.

219. On a review of the evidence presented to them, the Committee are satisfied that in order to secure the efficient administration of sickness benefit, it is necessary that medical referees should be appointed at as early a date as practicable, and that the arrangements to be made in appointing them should be so framed that it shall be possible for an approved society to submit for the decision of a referee the cases of all insured persons wherever they may be resident. On a careful consideration of the various systems of referees suggested, the Committee are of opinion that, in view of the difficulties inherent in any scheme for the employment of part-time referees when applied to wide and sparsely populated areas, it will be necessary to appoint a considerable number of whole-time referees. In view, however, of the fact that the comparative advantages and disadvantages alleged with regard to the various systems of referees discussed above are largely based on *à priori* considerations, which might or might not be justified in practice, the Committee attaches importance to the desirability of securing that no possible system shall be excluded from

consideration as a solution of the problem. For the present it is desirable that experience should, if possible, be obtained of the actual working of each of these systems and that no rigid line of policy should be laid down as regards the system. The general conditions existing throughout the country are so varied that a scheme suited to the needs of one area may not satisfy the requirements of another. While on the whole, therefore, a system of whole-time referees may be the most desirable solution and indeed the only possible solution, in large parts of the country, the general scheme should be made sufficiently flexible to permit of the adoption of any other well-considered arrangement, where local conditions or the desires of the practitioners or societies concerned render this possible.

Remuneration of Medical Referees.

220. With regard to the sources from which the funds for the remuneration of medical referees should be drawn, it may be observed that the creation of a service of medical referees is designed to meet two ends. While Approved Societies have advocated the appointment as a protection to the society against improper payments, and in order to safeguard the sickness benefit funds from depletion through illegitimate claims, from the point of view of the medical practitioner, the object of the referee is partly to assist the panel practitioner in arriving at a decision as to incapacity in doubtful cases, and partly to share any odium that may be incurred in refusing certificates, and thus assist the doctor to maintain friendly relations with his patients, and free him from the anxiety which many practitioners undoubtedly feel with regard to the effect on their practice of the adoption of a proper attitude. It has been suggested that the cost of a system of referees should be drawn jointly from the funds of approved societies, and the funds available for the remuneration of medical practitioners, in proportion to the urgency of their respective demands for the appointment of referees, and the benefit which they hope to derive from the establishment of such a system (*Pimble*, *Q.* 37,145 ; *Daniels*, *Q.* 13,953) Such a basis of calculation is, however, impossible of computation. To apportion the cost on the basis of the number of cases referred by societies and doctors respectively would also be impossible, as the adoption of such a system might engender a tendency for each side to defer referring cases in the hope that they would be referred by the other. From the point of view of the approved society there is the further point that the only fund available for defraying the cost of medical referees is the administration fund. So far as the societies are concerned the utmost that could be required would probably be a charge, sufficiently large to act as a deterrent against unreasonable reference of cases by any one society, but not so large as to prevent any society sending necessary cases to the referee. Probably in practice this may be obtained by making a charge of approximately 2*s.* to the approved society for each case reported on by the medical referee.

221. From the point of view of the practitioner, after making every allowance for the cases of genuine difficulty in which the guidance of a second opinion is desired, and allowing for the argument that the appointment of medical referees would be of universal utility in helping to standardise the meaning to be attached to the phrase "incapacity for work," the Committee are satisfied that a large part of the demand is based on the desire to have someone who will relieve them of their responsibility in the unpleasant task of declaring insured persons off the funds. That this difficulty would be so intense was not foreseen at the time the original arrangements for medical benefit were made. It was not anticipated that medical practitioners would experience such searching of heart in discharging the duties undertaken by them in their contract with the Insurance Committee. In so far as the appointment of medical referees is made to enable medical practitioners to discharge with an easier mind the duties which they have undertaken to perform, it appears to the Committee equitable that some portion of the expense required for the remuneration of the medical referee should be borne by the practitioners to whom his presence brings ease of mind (*W. Duncan*, *Q.* 17,798–9; *Paget*, *Q.* 24,110). In view, however, of the fact that the present financial arrangements for practitioners have been made for a term of three years, the Committee do not feel in a position to suggest that any part of the cost of medical referees should be immediately borne by the medical practitioners in the area. When the matter comes under review at the expiration of the period of three years, the question should, however, receive consideration, having regard to the possible modifications and extensions which may then be given to medical benefit.

SUMMARY OF FINDINGS AND RECOMMENDATIONS.

General Working of Sickness Benefit.

1. We are of opinion, on a survey of the working of that portion of the Insurance Act to which our attention has been directed, that, notwithstanding the difficulties involved in bringing so complicated an Act into operation, the machinery for the administration of benefits is, on the whole, working as smoothly as could reasonably have been anticipated.

2. The success so attained is in large measure due to the efforts of those on whom its local administration devolved, and in particular we desire to express our appreciation of the zeal shown by officials of Approved Societies generally in promoting the prosperous working of the Act. We are the more impelled to place this general impression on record in view of the criticisms which we have found it necessary to make on various administrative defects.

3. With regard to the medical profession also, it has been necessary to criticise the practice of many practitioners as regards certification and the general want of appreciation by the profession of the needs of Approved Societies in this respect. At the same time we desire to state that, so far as the facts have come before us in the course of our investigation, we are satisfied, speaking generally, that the medical practitioners who have entered into arrangements with Insurance Committees have brought to their work a desire to do their best for their patients, and that medical benefit, as administered subject to the limitations of the Act and the Regulations, is proving as great an advantage to insured persons as could have been anticipated by any well-wisher of the Act.

Men's Sickness Experience.

4. Taken as a whole we find that the experience of men's societies as regards sickness benefit justifies the actuaries' estimates.

Segregation—Special Risks.

5. The effect of segregation of persons exposed to special health risks, or with special predisposition to sickness, in particular societies and branches has been to produce in some societies and branches excesses over the actuarial provision.

6. It follows that in other societies, especially those which have made a specially strict selection of lives, the effect of segregation has been to produce an abnormally light rate of sickness.

7. In the cases of many societies excesses have been caused by mismanagement, of various kinds, and due to various causes ; sometimes these excesses due to mismanagement are found in societies which suffer also from excesses due to segregation.

8. The evils of segregation should be redressed by the formation of a Special Risks Fund out of which payments should be made to those societies where segregation has produced excessive claims resulting in deficiency. The Special Risks Fund should be formed by a contribution from the Sinking Fund, supplemented by such grant as Parliament may be disposed to make for the purpose.

9. These grants should be retrospective and should not be given in respect of excess due to maladministration. Future grants from this fund should be conditional upon the societies concerned having adopted such administrative changes as the Commissioners may have recommended.

Management of Societies.

10. In those societies where finance is centralised but local officials are vested with control over expenditure, we find in many cases excesses which we attribute to the type of the organisation of the society and consequent mismanagement.

11. All societies should be called upon to consider most carefully the system of correlation between supervision and payment with a view to the establishment of (*a*) uniformity throughout the society's operations, and (*b*) strict supervision and control from the centre.

12. Even in societies with branches the committee of management should investigate more closely the daily operations of the branches, and press upon them, at first by advice and suggestion and later, if these means are ineffectual, by such other means as are open to them, the adoption of proper methods of administration.

13. Societies, other than societies with branches, whose local officials are elected for short periods, should consider the desirability of giving to these officials some greater security of tenure, and of requiring the confirmation of their appointment by some central body elected by the whole society and of conferring upon that central body the power of removing locally elected officials who are proved to be inefficient.

Over-Insurance.

14. We have had much evidence to the effect that many insured persons who were former members of friendly societies are now receiving when incapacitated a weekly payment which is greater than their usual wage.

The over-insurance thus resulting is, in our opinion, a definite cause of excessive sickness claims.

We believe it to be desirable that approved societies should discourage members from continuing a scale of insurance on the private side for weekly sickness payments which, when combined with the sickness benefit under the Act, causes them to be over-insured. Insured persons who are willing and able to make provision on such a scale should be encouraged to secure alternative benefits.

15. We find a similar difficulty in the case of badly paid women workers, who, whilst working, have to pay for the care of their children and in whose case, although they are insured only under the Insurance Act, there is a distinct pecuniary advantage in declaring on the funds.

We are unable to suggest a remedy for this serious state of affairs and can only look to such an improvement in the economic conditions affecting women as will diminish the attractiveness of sickness benefit.

Action of Insured Persons.

16. We find little, if any, evidence of fraud on the part of insured persons, or of deliberate malingering, but considerable evidence of (*a*) a tendency to take the utmost advantage of the benefits under the Act, (*b*) a tendency to claim for trivial complaints, (*c*) a tendency to prolong unduly the period for which members remain on the funds, especially during periods of unemployment.

17. On the other hand, we cannot overlook the fact that some insured persons have continued at work, when they might properly have claimed sickness benefit, or have returned to work before they should have declared off the funds of the society.

Women's Sickness Experience.

18. Taking women as a whole, experience shows that sufficient provision has not been made for the sickness benefit granted to women under the Act, that is, either the amount paid as premium is insufficient or the amount of the policy money is too great, and this applies both to single women and to married women.

19. This fact is masked in the cases of certain societies by segregation, and in the case of other societies is intensified by segregation.

20. The sickness claims of women have presented special difficulties by reason also of (*a*) the greater difficulty of determining the question of incapacity in the case of women, and (*b*) the inexperience in the conduct of women's insurance of those administering the societies.

Meaning of Incapacity.

21. In the case of both sexes great difficulty is caused by a doubt as to the meaning of the criterion of incapacity set up under the Act.

22. Where doubts of this nature exist, the consequent confusion leads to the admission of improper, as well as the refusal of proper, claims.

23. We recommend that at the earliest moment possible the conditions of sickness benefit should be more precisely defined.

24. The old practice of friendly societies was to pay sickness benefit when members were incapacitated from following their usual occupation. This was in particular the practice of the Manchester Unity upon whose figures, weighted for the special circumstances of the whole population, the financial estimates for the Act were framed.

25. We recommend that it should be provided by Statute that sickness benefit should be payable when an insured person is incapacitated by disease or bodily or mental disablement from following his usual occupation.

26. It will be necessary, however, to deal specially with the case of those persons who, having become so incapacitated, at a subsequent date become fit to follow some occupation other than that hitherto followed by them, but who do not regain such a state as to enable them to follow their previous usual occupation. This matter should also be dealt with by Statute, which should disentitle an insured person to sickness or disablement benefit when it becomes apparent that he will not be able, ever or until after the expiration of a prolonged period, to follow his previous occupation, but can follow some other occupation which is reasonably open to a person of his training and education.

27. These two states do not correspond exactly with the distinction between sickness and disablement benefit under the Act, which is merely a prolongation of sickness benefit at a lower rate after 26 weeks, but, roughly speaking, the criterion of the Act "incapable of work" is suitable for disablement benefit.

28. These difficulties as to the criterion apply especially in the case of women.

Incapacity due to Pregnancy.

29. In particular, doubts have arisen as to whether a woman incapacitated by pregnancy, and that alone, is entitled to sickness benefit. Doubts have also been expressed as to whether a woman incapacitated by pregnancy associated with some disease is so entitled. In our opinion it is impossible to maintain the distinction thus indicated between pregnancy and other causes of incapacity.

30. The grant of weekly payments during incapacity for work has not only disclosed an amount of sickness among the female industrial population which is greatly in excess of what could have been expected, but has also drawn attention to the condition of those pregnant women, who though technically "capable of work" still by working at their ordinary occupation, expose to serious risk both themselves and their unborn children.

31. Partly from misapprehension as to the nature of the insurance under the Act, and partly from the desire of doctors to secure the best possible conditions for pregnant women, and partly from the disinclination and inability of societies to decide the question of incapacity in such cases, some women have obtained sickness benefit when not strictly entitled so to do.

32. On the other hand, some of the societies, finding themselves unable to make the distinction, have by general arbitrary action excluded from sickness benefit all pregnant women whether incapacitated or not.

Proposed New Benefit for Pregnant Women.

33. The resulting confusion has placed societies, doctors, and the insured in an impossible position, and the facts have revealed the necessity for some further provision for pregnant women during the period preceding childbirth.

34. We therefore recommend that a new benefit should be created payable to a pregnant woman in respect of the last four weeks of pregnancy, whether she is incapacitated or not, and that payment should be made to a pregnant woman, who is incapacitated from following her occupation in the month previous to the last month, whether she is incapacitated by pregnancy alone, or by pregnancy accompanied by some other condition.

35. This benefit cannot be expected to produce the advantages hoped for, unless the woman is required to abstain from remunerative work, or other work likely to be prejudicial to her health, during this period of four weeks, and unless she informs her doctor as soon as she is aware of her condition.

36. The premium paid and the benefits promised were not fixed with reference to the possibility of pregnancy being a qualification for sickness benefit, and the

funds of societies cannot bear this extra charge. We therefore suggest that application should be made to the Treasury for the provision of such sum as will remove the whole financial burden in respect of the payment of this benefit from the funds of the Approved Societies.

37. In making this recommendation we are influenced by a hope that if women are induced to abstain from work during periods of incapacity in the course of pregnancy, and during the last month of pregnancy, and receive, when necessary, suitable medical treatment, there will result an improvement in their personal health and that of the children to be born, and a consequent gradual diminution in the demands on the Insurance Fund.

38. We consider it desirable that any sum provided by the Treasury and allocated to the societies for the purpose of meeting these payments should be allocated in such a manner as to cover the actual cost to which they are put by the carrying out of these recommendations, without increasing the amount available in their funds for sickness benefit or any other benefit.

39. Proposals were made to us that payments to pregnant women should be dispensed by the public health authority in connection with a general scheme for the instruction and care of women in this condition. Any proposals for avoiding the overlapping of the work of the public health authority and the various agencies under the Insurance Act are attractive in themselves. We are, however, not satisfied that this proposal would result in avoiding overlapping; indeed, so long as employed married women remain within the scope of the Insurance Act as insured persons, any such procedure would increase overlapping. Transference to the public health authorities of the monetary provisions in respect of pregnancy would, therefore, in our opinion, involve fundamental modifications of the National Insurance Act in relation to the insurance of women.

General Excess in Women's Claims.

40. These proposals for dealing with pregnancy sickness will not meet adequately the justifiable excess claims of women already mentioned. It is necessary, in order to produce financial equilibrium, that a payment should be made into the funds of societies, in the case of women insured persons, at such a rate as, taking the scheme as a whole, is sufficient to bear the risk at which the funds stand in respect of them. This effect can be produced (*a*) by increasing the weekly contribution paid by an insured woman and her employer, or (*b*) by reducing the amount for which each insured woman is insured.

41. In our view it is impossible for practical reasons to adopt either of these methods. It is necessary therefore that recourse should be had to an increased grant from the State or to an increase of the portion of each weekly contribution which under the Statute goes to the benefit funds of the societies.

42. If it had been realised when the financial basis of the Act was framed that the justifiable sickness claims of women would be at the rate since disclosed by experience, it would have been open to Parliament to fix either the rate of contribution or the rate of benefit at such a figure as to produce the necessary equilibrium. The effect of this previous unknown quantity has been disclosed by experience, instead of, as in the case of men, being calculated from previously known data, but this does not in itself afford any reason why the State should assume in the case of women a greater proportion of the normal sickness charge than in the case of men.

43. The course which in our view is most practicable is to divert to the funds of societies a portion of the sums which now go in redemption of reserve values. We are unable upon the figures before us to estimate the precise amount which should be taken for this purpose, and consequently cannot state the number of years which such a diversion would add to the time required to pay off reserve values, or, as it is ordinarily termed, extend the period of the sinking fund. We therefore recommend that the Chief Actuary to the National Health Insurance Joint Committee should be requested to prepare such information as will enable effect to be given to this recommendation.

Women's Insurance generally.

44. In making these recommendations for dealing with such of the problems relating to the insurance of women as have forced themselves upon our attention and

require immediate action, we feel compelled to record our view that the time has not arrived at which a final conclusion on the matter can be reached. The provisions of Section 44, and in especial those which relate to the provision made for insured single women upon their marriage, and the conditions upon which they may remain in or re-enter insurance as employed contributors, are in themselves highly complicated, and cause great difficulty in administration to the officials of Approved Societies and to the insured women, resulting in many cases in evasion or injustice. In addition, the working of those provisions of the Act which relate to maternity, and to sickness in connection with maternity, has not yet resulted in the acquisition of sufficient experience to enable us to feel great confidence as to the best method of shaping the provision made by way of insurance either in sickness benefit or medical treatment for women. All these matters will, in our view, require early reconsideration and possible readjustment.

45. In the course of the evidence much information was elicited incidentally on the important questions of the care and treatment of, and provision made for, women, before, during, and after childbirth, but the Committee did not consider it within the scope of this Inquiry to investigate this subject at length with a view to formulating a definite body of recommendations.

Action of Doctors.

46. We are of opinion that in many cases doctors have given certificates for sickness benefit in circumstances in which those certificates were not justified. This action appears to be due to the following causes :—

(*a*) A genuine uncertainty as to the conditions on which benefit is payable.

(*b*) Hurry and laxity arising from the circumstances in which certificates are sometimes given out in a large practice, not necessarily confined to insured persons.

(*c*) Hostility, which we believe to be now disappearing, on the part of certain members of the profession to the operation of the Act and to the societies.

(*d*) Laxity and carelessness due to the inherent inefficiency of a small percentage of practitioners.

(*e*) A general attitude of sympathy, and a desire in some cases to relieve distress, whether due to sickness or not, without regard to the general security of the financial scheme of the Act.

(*f*) A desire in some cases to obtain all that can be obtained in the assistance of the cure of the patient, without regard to the conditions on which the patient is entitled, and consequently without regard to the question whether there is, in fact, incapacity for work or not.

(*g*) A desire to retain the confidence of the patient in the interests of successful treatment, and an indisposition, therefore, to dispute, if it can be avoided, the patient's statements in cases in which symptoms are mainly subjective.

(*h*) The fear of offending patients and employers (in particular the mistresses of domestic servants) by refusing certificates, and of, consequently, losing patients, and the desire on the part of some practitioners to cultivate popularity by acquiring a reputation for sympathy and indulgence.

(*i*) Ignorance of the previous history of the patient and of material facts regarding his employment, character, and mode of life.

Misunderstandings by Doctors and Societies.

47. The difficulties, both of doctors and societies, have been aggravated by a disinclination, which is found on both sides, to deal in a practical manner with the problems which require common consideration and action.

48. They have also been aggravated by a wide-spread lack of appreciation, which is found on both sides, though not universally, of the necessity for rigid accuracy of statements as to the examination of patients and the dates on which the examination took place.

49. In addition, on the one hand, some doctors have failed to realise that it is necessary that the society should be fully informed on the face of the certificate of

the precise nature of the incapacitating disease, and, on the other hand, some societies have recklessly refused to acknowledge certain diseases as incapacitating diseases, or as diseases incapacitating for more than a specified time.

Improvements in Certification.

50. We believe that these difficulties can only be removed by :—

(*a*) A rigid system of dating of certificates ;

(*b*) A precise statement by the doctor on the certificate of the nature of the incapacitating condition, so as to convey to those concerned the whole truth so far as it is known to the doctor ;

(*c*) The realisation on the part of the doctors and the societies alike that their respective duties in regard to the certificate are not ended when the one has given it, and the other has received it. Both parties must understand that it is the duty of the society to make enquiries in all cases of honest doubt, and of the doctor to impart, in reply, such reasonable information as will enable the society to come to a proper decision as to incapacity. Many medical practitioners find a difficulty in this matter by reason of the doctrine of professional confidence. We understand that the present arrangement whereby the certificate is addressed to the patient and handed to him, was made to meet this point, but some practitioners would still feel a difficulty in furnishing information, even to the advantage of the patient, direct to the society and without the patient's authority. It should be made clear that the insured person, on making a claim for sickness benefit, gives full authority to the society to seek, and to the doctor to furnish, all necessary information.

All information furnished by the doctors to the approved societies should be treated as being strictly confidential, and should be communicated only to the authorities to whom it is necessary for the proper administration of benefit that it should be known.

Certificates in Exceptional Cases.

51. If any rigid system is to be worked successfully, it must make provision for those exceptional cases in which the patient, on reading a precise statement on the certificate handed to him of the incapacitating condition, would incur danger to health, or where the communication of the precise condition to others would inflict on him unwarrantable injury. We are of opinion that a special procedure should be adopted in certifying in these cases, in order that the doctor may be at liberty to make on the certificate handed to the insured person a statement as to the nature of the incapacitating cause so drawn as to give no indication as to the class of disease covered, and less complete than is justified by his medical knowledge of the case. In all such cases the doctor must at the same time submit a full statement of the facts to the medical referee, and inform the society that he has intentionally issued a vague certificate, but that a special report has been sent to the referee. In order that the confidence of societies in such a system of certification should not be impaired, the limits of this exceptional procedure should be sharply and closely defined, and strictly adhered to. The cases to which such a procedure is applicable are (1) cases in which there is reason to believe that precise knowledge of the nature of the illness would be dangerous to the patient, as, we are informed, it would be, for example, in many cases of incipient insanity, cancer, and heart disease ; (2) certain diseases peculiar to women ; and (3) cases of venereal disease, whether congenital or acquired, to which the misconduct rule does not apply. The object of the inclusion of these last two classes is to protect the insured person from unreasonable enquiries, where no presumption of misconduct ought to arise, and it is essential on the one hand that societies should accept the assurance of the practitioner, and on the other hand that practitioners should state on the certificate the full truth in all cases not falling within these limited classes, and should not adopt the procedure indicated except in these cases. It would devolve upon the medical referee (*see* paragraphs 67 *et seq.*) to give to any society which so desired an assurance, on the facts within his knowledge, as to the incapacity of the insured person, and to supervise the certificates so furnished in order to guard against any possibility of abuse of a system specially devised to meet exceptional cases.

Responsibilities of Doctors and Societies as to Claims.

52. Both societies and doctors must realise that the society, acting upon the best advice they can obtain, are the judges, subject to appeal, of whether an insured person is entitled to sickness benefit, The doctor's function is to put them in such a position as to decide this point. Doctors must, therefore, furnish to societies the fullest information possible, and societies, on the other hand, must not arbitrarily come to conclusions without regard to the evidence before them.

53. Some societies have assumed the power to decide without regard to the evidence before them. A few have sought to test that evidence by objectionable means, and it has been brought to our knowledge that more than one society have thought it their duty to make systematic inquiries of women, against whose personal character they have no evidence, in such a form as to suggest that it is the business of an insured person to purge himself or herself of the suspicion that he or she is suffering from venereal disease. This practice cannot receive sufficient condemnation, and, if not checked, must break down the framework of the Act as administered by Approved Societies.

54. At the same time we realise that some societies may be led to this objectionable practice by the lack of confidence which, in view of the nature of many certificates, they necessarily feel in the certificates furnished to insured persons generally.

The Misconduct Rule.

55. We are of opinion further, that the societies and the doctors are often in difficulty owing to the "misconduct rules" which, from lack of definition and uniformity of interpretation, may lead to injustice to innocent persons and possibly to the payment of unjustifiable claims.

Sick Women and Housework.

56. We are of opinion that considerable confusion of thought exists as to the effect of a breach of the rules of the society with regard to behaviour whilst in receipt of sickness benefit, and has led to harsh treatment, particularly of women found engaged in household work while on the funds. By such an infringement of the rule an insured person may incur the penalty of a fine, but the mere fact that a woman is found doing household work does not in itself necessarily disprove incapacity for work or justify the withholding of benefit. In our opinion it is desirable that the nature of the household work which may not be done by women while in receipt of benefit should be clearly indicated. A uniform rule on this subject is, in our opinion, essential. Societies should educate their women members to appreciate the necessity for abstaining from prohibited housework while in receipt of sickness benefit, and the fact that the prohibition is not only directed to insuring a speedy return to health, but also is intended to have a deterrent effect.

Sickness Visiting.

57. We are of opinion that sickness visiting as at present carried out is less efficient than it might be :—

(*a*) Because too often the visitor is a part-time and not a full-time visitor ;

(*b*) Because visits are not made before sickness benefit is paid, as is in most cases desirable.

Further, the function of the sickness visitor is not generally understood, and they are sometimes required to give their opinion on medical matters, or allowed to declare the patient off the funds without further reference to the patient's own doctor or to the medical referee. This is an improper use of the sickness visitors. On the other hand, their knowledge of the patients should be very useful in advising the officials of the society and causing them either to get more information from the doctor, or to put the doctor on his guard, or to send the patient to a medical referee.

58. There is no doubt that in many cases a lack of system, both as regards sick visiting and as regards the scrutiny of claims, leads to measures which would be unnecessary with proper management, and which are in themselves capricious and indefensible.

59. We are of opinion, that the provisions of the Act requiring that sickness visiting in the case of women shall be performed only by women are not sufficiently observed. In some cases, sickness visiting is confused with payment of benefits, and

male representatives of societies, who wait upon women in receipt of sickness benefit for the purpose of paying the benefit, are employed practically as sickness visitors. Apart from objections which are obvious to the use of men as sickness visitors in the case of women, it appears to us that efficient sickness visiting cannot be conducted under such an arrangement.

60. We are of opinion, that generally it is unsatisfactory that the sickness and maternity benefits of the Act in the case of women should be administered solely by men. It has been urged, and the majority of us concur in the view, that the administration of benefits would be more satisfactory, and in the long run would be conducted more efficiently, if the payment of benefits in the case of women, and if the scrutiny of women's claims, were entrusted to women to a far greater extent than at present.

61. If effect were given to the last recommendation the difficulty of objectionable inquiries by societies in the case of claims made by women, to which both the members and the doctors concerned have rightly taken exception, would be mitigated.

Nursing.

62. We have received evidence to the effect that the institution of a system of nursing for insured persons would tend to shorten sickness claims. Section 21 of the National Insurance Act, 1911, contemplates the expenditure of money by Approved Societies or Insurance Committees upon the support of district nurses, and gives power to appoint nurses for the purpose of visiting and nursing insured persons. Funds for this purpose are not included, however, in the financial provision made under the Act, and, if such a service is to be instituted, aid must be obtained from the Exchequer. We recommend that any nursing service for insured persons should be correlated with the administration of medical benefit under the Act. The evidence before us on this subject shows that the professional nurse can only carry on her duties under the supervision of the doctor in attendance on the patient, and we are satisfied that this tradition is founded on well tested experience.

Scope of Medical Benefit.

63. Many of the witnesses, both lay and medical, have spoken of the limitations of the scope of medical benefit under the Act and Regulations. In particular our attention was called to the absence of any service for second opinions, the performance of major surgical operations, the specialist treatment of the eyes, teeth, and special diseases of women, and other specialist services. It did not lie within the scope of our reference to consider this question, except in so far as it was alleged that the absence of these provisions tended to prolong unduly periods during which insured persons drew sickness benefit.

64. We have evidence that were an efficient service in operation for the treatment of the eyes and provision of spectacles, and for the treatment of the teeth, and the supply of dentures, the effect would be to shorten, in some cases very materially, the period during which insured persons draw sickness benefit. There is, in addition, weighty evidence that the lack of opportunity for immediate admission to hospitals and other institutions causes undue prolongation of sickness benefit, especially in the case of women. It is indeed obvious, that the removal of the present limitations would result in a reduction of sickness among the insured.

65. We are not in a position to make any specific recommendations in this matter having regard to our terms of reference and to the time at our disposal. We recommend, however, that the whole question of the scope of medical benefit, including the provision of the facilities and services referred to above, should be considered at an early date by a Departmental Committee or Commission. Any action taken upon the report of such a body will, in our opinion, probably necessitate a revision of the arrangements made with medical practitioners on the panel. We would suggest that this Committee, if appointed, should also consider the arrangements with respect to the medical referees suggested in this Report (*see* paragraphs 67, *et seq.*), with a view to harmonising the system of medical referees with the general arrangements for the administration of medical benefit and for the provision of such specialists' services and opportunities for consultation as it may be thought desirable to provide.

66. It appears to us that it can hardly be hoped that any such Committee can investigate this subject and report in time for any measures to be taken before the arrangements for the year 1915 are in operation. It may be anticipated, however, that if such a Committee should propose the extension of the scope of medical benefit

the arrangements consequent thereon will involve some prolonged negotiations, and it is therefore desirable that the report should be in the hands of those concerned as early as possible in 1915.

Medical Referees.

67. Meantime, we are of opinion that, in view of the difficulties experienced with regard to certification, it is necessary that there should be established as soon as possible a system of medical referees.

68. In any system that may be established, Approved Societies and doctors, and the insured persons under proper safeguards, should have access to the referee with regard to any case in which a doubt is felt as to the question of capacity for work.

69. In order to deter societies from making an unreasonable or unnecessary use of the medical referee, societies should be required to pay a small fee in respect of each case referred.

70. We are of opinion that it would be equitable that practitioners should also contribute towards the cost of medical referees, in so far as the medical referee may remove from the panel practitioner the necessity of discharging certain of those duties which, by his agreement with the Insurance Committee, he has undertaken to perform. We are, however, satisfied that it would not at present be practicable to defray any part of the cost of medical referees out of the medical benefit fund.

71. In so far as the cost of medical referees is not met by the contributions of those parties in whose interests the appointments are made, we recommend that the cost should be met out of moneys voted by Parliament.

72. We concur in the view, repeatedly expressed in evidence before us, that in order that the referee may enjoy the confidence of all parties concerned in his judgment, it is desirable that appointments should be vested in the Commissioners.

73. Proposals have been put before us in advocacy of various systems of part-time referees, and for the discharge of the duties of the referee by boards of practitioners on the panel acting on a rota.

74. The appointment of whole-time officers only is precluded by the considerations that the amount of referee work to be performed can only be estimated very roughly, and that it will probably decrease in volume as the criterion of incapacity becomes standardised. Moreover there may be difficulty in finding, before the date at which the service must be brought into operation, a sufficient number of doctors suitable in every respect, and willing to become permanent servants of the Commissioners.

75. It therefore appears desirable that every experiment in this matter should be encouraged, and that, while the Commissioners should proceed at an early date to the appointment of such a number of whole-time referees as is available, and is likely, in any event, to be required permanently, they should also set on foot systems of part-time referees as suggested above. It would, in our view, be desirable that there should be facilities for referring cases in which women are concerned to women practitioners, if the insured person concerned so desired. We fear, however, that, having regard to the supply of women in the medical profession at present, this can only be regarded as an ideal. We are, however, strongly of opinion that, wherever practicable, women should be employed among whole-time and part-time referees.

76. We have ample evidence of the difficulties which arise through the inability of the officials of societies correctly to interpret the sickness certificate, and we realise the weakness in any service where the initiation of action by the medical referee depends upon these officials.

A system under which the medical referee has periodically under review all the certificates issued in that area would remove this weakness, and tend also to secure :—

(1) Standardisation of the criterion of incapacity throughout the area.

(2) Diminution of valetudinarianism as well as of actual sickness claims.

(3) The use of accurate technical medical terms on the certificate which might otherwise be avoided from fear of confusing or misleading society officials.

(4) Data of the actual sickness experience of the area.

Such a system could only be successful through the goodwill of the societies operating in the area, and we are of opinion, that it is impracticable to attempt at once to establish such a service generally, but consider it desirable that experiments of this nature should be encouraged in selected areas.

Consultative Services.

77. At the outset the main function of the medical referee will be to give a second opinion on the question of incapacity for work. We are, however, impressed by the dangers which attend a system which divorces the doctor from the actual practice of the art of healing, and, for this and for other reasons, it appears to us desirable that every effort should be made to combine with the functions of the whole-time medical referee the function of giving a consultative opinion in doubtful cases.

78. We have not felt ourselves justified by the terms of our reference in going fully into this matter, but the recommendations of the Committee already suggested will materially affect the position of anyone acting as a medical referee, and we therefore recommend that in settling the terms of appointment of these officers, the possibility of a further extension of the medical service should be borne in mind.

Surgical Appliances.

79. We have also received evidence that sickness claims are somewhat increased in length through the absence of appliances not prescribed under section 8 (1) (*a*) of the Act, 1911. We have not felt justified in dealing with this subject at length, but we are of opinion that the consideration of this question might appropriately be referred to the Committee which we have recommended should be appointed.

Complaints.

80. On miscellaneous matters the evidence before us discloses that the machinery for complaints made against a doctor by an insured person or Insurance Committee, or by a doctor against an insured person, does not work expeditiously or with sufficient certainty.

81. This appears to be due partly to the reluctance of insured persons, and even of their society, to state or pursue their complaints, and partly to the severity of the only penalty which under the Act and Regulations could be exacted of the doctor, namely, that he be struck off the panel.

82. Following the precedent set as regards insured persons by subsections (3) and (4) of section 14 of the Act of 1911, we recommend that the Commissioners should insert in the Medical Benefit Regulations power to impose a pecuniary penalty upon doctors for neglect of duty, and that, if necessary, they should be empowered by statute to do this.

83. We recommend also that the Commissioners should be empowered to incorporate the relevant portions of the Arbitration Act in the Regulation on the subject, so as to enable subpœnas to be issued failing the attendance of witnesses before the tribunals investigating these complaints.

Appeals.

84. We are not satisfied that, in the case of some societies, the machinery for the domestic tribunal of appeal from the decision of the Committee of Management works expeditiously or even justly. In some cases the domestic tribunal of appeal is situated at so great a distance from the member that he cannot avail himself of the right to appeal; in others, as where it consists of the whole delegate body of the society, it is so constituted as to be inappropriate for the purpose; in others, again, a money deposit to an amount prohibitive to the poorest of the population is imposed before access to the tribunal can be obtained, or uncertainty as to the extent of the costs in which appellants may be involved proves absolutely deterrent.

85. It would be impossible for us to go through the rules of all societies in detail with a view to making definite recommendations on this subject. We recommend that the Commissioners should enter into negotiations with the whole body of societies with a view to obtaining such amendments as experience has shown to be necessary in this respect. In particular it seems to us that any such tribunal ought to be easy of access, that it should meet with reasonable frequency and be constituted of impartial persons with some skill in elucidating the difficult points which may arise for decision.

86. Where the cases which arise concern female insured persons, we are of opinion that the tribunal of appeal should contain an adequate proportion of women amongst its members.

87. There would be obvious advantages from the point of view of the interests of members as insured persons, in the adoption of a uniform procedure for appeal in State Insurance disputes. This may not be immediately practicable, but, in the meantime, we consider it of paramount importance that societies should inform their members clearly of the procedure necessary in order to appeal against decisions in all cases where benefit is refused, penalty inflicted, or expulsion proposed.

In conclusion, we desire to place on record our appreciation of the services rendered to the Committee by our Secretary, Mr. Gray, to whom we are indebted, both severally and collectively, for his unfailing courtesy and industry.

We have the honour to be

Sir,

Your obedient Servants,

CLAUD SCHUSTER (*Chairman*).
THOS. M. CARTER.
WALTER DAVIES.
A. FULTON.
M. H. FRANCES IVENS.[1]
MARY R. MACARTHUR.[2]
WM. MOSSES.[3]
LAURISTON E. SHAW.
A. C. THOMPSON.
ALFRED H. WARREN.
ALFRED W. WATSON.
J. SMITH WHITAKER.
MONA WILSON.
WALTER P. WRIGHT.[4]

ALEXANDER GRAY
(*Secretary*).
24th July 1914.

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[1] Subject to Memorandum B.
[2] Subject to Memorandum A.
[3] *See also* Memorandum C.
[4] *See also* Memorandum D.

MEMORANDUM A.

BY

MISS MARY R. MACARTHUR.

1. The inquiries of the Committee have necessarily extended into a full review of the administration and management of approved societies, representative of almost every type, and including a large proportion of the insured.

2. The majority of the members of the Committee believe that the imperfections revealed can be remedied by certain minor reforms in administration, and by some financial readjustment.

3. I cannot support this view.

4. I agree that financial readjustment is imperative, and that the reforms proposed are, in the main, desirable, and I have, therefore, signed the Report. I believe, at the same time, that its proposals are inadequate; that their effect will be temporary, and that a fundamental alteration of the scheme is necessary to make it National Health Insurance in fact as well as in name.

5. The evidence shows that serious difficulties, hardships, and anomalies are inevitable, so long as the Act is administered by approved societies, as at present constituted.

6. Further, the provisions of the Act require considerable amendment before they will meet the special needs and requirements of women.

7. It is true that some of the defects to which I refer were hardly avoidable at the time when the Act was passed. The National Insurance Act has done great service in bringing to light a mass of suffering and a number of social evils, as to which the nation as a whole was ill-informed or indifferent. It will now be substantially easier than in 1911, both on account of the new knowledge available and of the state of public opinion, to make adequate provision to advance the health of the community.

8. As stated in the Report, the evidence shows that the excess of sickness over expectation is to be found almost entirely amongst women, although as indicated, segregation, mainly occupational, of certain groups of men is also connected with a degree of excess. I agree that "there is every reason to believe that, except in "certain societies in which, for example, domestic servants, and women of the semi-"professional class have been aggregated, the amount expended on behalf of women "considerably exceeds the actuarial provision" (paragraph 155), but I cannot concur in the view that this excess is to any appreciable extent due to "Ignorance of the Principles of Insurance" (paragraph 156), "Approximation of Sickness Benefit to Average Earnings," or so-called over-insurance (paragraph 158), "Difficulty of Supervising Behaviour during Sickness" (paragraph 159), "Economic Difference" (paragraph 160), "or to defects in management of societies and carelessness in medical certification" (paragraph 154).

9. While these considerations do, no doubt, bear upon the extent of the claims made and allowed, they are, in my opinion, largely counterbalanced by the improper refusals and suspensions of benefit which have resulted partly from the two last enumerated causes. However that may be, it is not disputed that in the main the excessive sickness of women is due to fundamental causes, and that we can expect a radical improvement in health only in so far as these are dealt with. It is idle to hope that the volume of claims can be appreciably lessened by remedying defects of administration or of medical certification in so far as these admit of remedy.

10. It must also be remembered that experience of sickness claims under the Act applies to a period of good trade, and that payments for the first quarter, owing to the twenty-six weeks qualifying clause, were lighter than any other. In an average year the experience might reasonably be expected to be worse; in a period of epidemic or of bad trade, it would be appreciably more unfavourable.

11. The Committee has recorded its conviction that women are more liable to incapacity by sickness than men, and it is my contention that (apart from normal physical reasons) this extra sickness of women is due to their greater poverty, and to the character of their employment. Long hours, long standing, lack of fresh air, long intervals without food, are undeniably, especially in the case of young anæmic girls, detrimental to health, and the low wages which attach to most women's employment

involve insufficient and often improper food. (As stated in the report: "The total "number of insured women includes a very large proportion of ill-paid and ill-fed "persons, who, in most cases, live on unsuitable food.") The report, however, gives a very brief summary of the evidence given by doctors and others as to the results of poverty in feeding, over-strain and want of rest. The cumulative effect of this evidence is so weighty that I add an additional summary.[1]

12. Nor must it be forgotten that the Insurance Act falls with a heavier incidence upon women's wages than upon men's, the inequality being little diminished by the graduated scale of payment, which, though excellent in principle, is very often a dead letter in practice owing to evasion and administrative defects.

13. Indeed, consideration of the plight of many insured women compels the belief that a contributory system of insurance is a doubtful boon to them, the possible gain not compensating for the reduction of already insufficient earnings.

14. Against the emphasis thus placed upon low wages as a source of excessive sickness, the experience of the Lancashire textile trades, where, though wages are comparatively good, the sickness rate has proved exceptionally high, may be urged, but here the influence of the industrial employment of child-bearing women must be allowed for.

15. It is not surprising that under the treble strain of child-bearing, wage-earning, and household drudgery, women break down. The evidence is overwhelming that unsuitable occupations during pregnancy, especially late pregnancy, and a premature return to work after confinement, are a prime cause of sickness in women, not only at the time of child-birth but in later life.[2]

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[1] The representative of the National Amalgamated states (7,528) that low wages "not only induce malingering, but also cause sickness," and that his society is "sure, that whereas prior to the Act, female "members would in large numbers continue their employment, when, as a matter of fact, they were not "physically fit to do so, now . . . . . they declare on the fund and prefer to lose the difference "between their wages and their sickness benefit rather than go to work in a damaged state of health."

The evidence of the Foresters (A.O.F.) is to the effect that the secretaries of the courts believe (19,488) that there are practically no unjustifiable claims. The representatives of the Independent Union of Boot and Shoe Operatives say (5,686) "I do not think there is one of them" (*i.e.*, those on benefit) "who is not bad and hardly fit to be at the factory, but previously some of them have worked with a "greater determination . . . . they would not give up until they were absolutely compelled." Dr. Olive Claydon thinks (22,726) that the members unwilling to return to work when fit are very few in number. Dr. Layton (Walsall) thinks (29,167) there are very few unjustifiable claims. He adds (29,527–8) "I have "no doubt that a great many of the societies have been astonished to find the number of these factory "girls who have gone sick. We knew perfectly well . . . . that this was going to happen." "They had "no business to be at work before. Lots of girls got seriously ill by reason of the fact that they went to "work when they had no business to," and with reference to the reluctance of his patients to return to work, "now they are able to lie up they realise how bad they are" (29,683). Dr. Harry Roberts, who has had a very large experience in Stepney among casual labourers, dock labourers, and a large number of women employed on rope work, rag sorting and poorly paid occupations, says (29,922) "the people we find "who linger on . . . . are those girls who do rag picking and people of that sort" (*i.e.*, the very poor), "anaemic girls and women before and after confinement," and speaking generally of his patients says (29,972) "*half these people are working in a state of health which most people in our class would call ill.*" In the précis of evidence prepared by the British Medical Association the same view is expressed, "there is "a general agreement that patients are now doing what many of them have never been able to do before, "namely, staying away from work until really fit to return." Again, "even the medical profession has "been surprised at the number of cases of persons who have never had medical attendance before . . . . "and who really needed rest and sickness benefit. This is *particularly the case with employed women* ". . . . large numbers of whom have struggled on for years in spite of actual sickness or depressed health, "because they could not afford to take the rest they so much needed." The British Medical Association also quote a correspondent in West Ham who mentions "the normally low standard of health in female "city workers as being a distinct factor in the increased claims." Dr. Cox (30,034) similarly speaks of the "great surprise to the average member of the medical profession to find so many people who apparently in the past never had any treatment at all." Dr. Farman says, speaking of women (33,453), "there may be (*i.e.*, excess) over what was generally anticipated, but certainly not over what I anticipated. "In fact, I was surprised that we had not had more sickness."

Dr. Belding, speaking of doubtful claims among women attributes them to a general poor standard of health. "They" (his patients) "are in fact chronically overworked" (34,502).

Miss Hughes (40,277) says "the women especially did not go sick when they were beginning to be ill" before the Act "they worked on until they got very ill indeed." The nurses now notice (40,278) that illnesses are more often taken in time.

Dr. Richmond (of Bermondsey) says (38,431) "I do not think that we realised what the effect of the Act would be in bringing to our knowledge the sickness that exists." This, he says, (36,433) is a great deal more true of women than of men.

[2] Dr. Bennett says (16,595) "A tremendous proportion of the cases that visit the out-patient "departments of the hospitals peculiar to women's diseases are cases which have slowly and gradually "followed childbirth through not lying up sufficiently, and *particularly, perhaps, following miscarriages.*"

Dr. Richmond gives particulars of eight cases of women working from 7 a.m. to 7 p.m. in jam and tin-box factories each having five children to care for after factory hours. *None of them were really fit for work for months before confinement or months afterwards* (38,542).

16. To sum up: the main causes of excessive sickness, in my opinion, are, in the first place, poverty with all its concomitants; and, in the second place, want of care and rest during illness, of medical treatment in the past and of adequate medical treatment in the present, particularly during pregnancy, at confinement, after confinement, and, indeed, in all cases of women's diseases.

17. It is with these latter causes only that it has been within the purview of the Committee to deal, and I desire to show where the recommendations made in regard to them seem to be inadequate.

Maternity and Pregnancy.

18. I have concurred in the proposals as to pregnancy because they embody a clear declaration that benefit should be paid to women incapacitated from following their occupation by this cause, and a recommendation that money must be found for this purpose.

19. My agreement, however, is subject to the proviso that if Societies are to be temporarily entrusted with the disbursement of this money, there should be no possibility of profit or loss to their funds, there should be no discretionary power vested in the Societies, and that there should be no testing of incapacity in this connection by lay persons.

20. Indeed, the ordinary test of incapacity is most unsuitable in this case. The criterion should be a medical opinion that a woman is in a condition in which industrial employment may involve injury to herself or her unborn child.

21. The majority of the Committee have made certain comments on alternative proposals, dealing with the administration of pregnancy sickness benefit. As they have never seriously discussed these proposals, and have sought no evidence upon them, these comments seem to me to be premature.

22. There are special disadvantages in the administration of this benefit by approved societies. To ladle out public money without supervision, advice or tr atment, to provide which the approved societies have no adequate or appropriate machinery, is surely not desirable. Such machinery as they have usually consists of a limited number of "sick visitors," persons often untrained, inexperienced, and inefficient, and, in cases known to the Committee, offensively and indelicately inquisitorial in the methods they employ: persons, moreover, working with so little co-ordination, that on occasion as many of them may visit a street as there are houses in it. Such machinery is certainly not adapted for the visitation and care of expectant mothers.

23. The majority of the Committee are prepared to dismiss alternative schemes by stating that these would result in increased overlapping and involve fundamental modifications in the Insurance Act. Obviously, fundamental modifications are involved. The Insurance Act, being, so far as women are concerned, a leap in the dark, it would be surprising if it were not so.

24. Attractive as the alternative schemes appear, especially that which proposes that women during pregnancy should be dealt with by the Insurance Committees precisely as sanatorium benefit is dealt with now (*i.e.*, that the county and borough councils should have the same powers to extend this benefit to the dependants of insured persons, and even to take over the whole work as some have already done in connection with tuberculosis), it would be premature definitely to recommend at this stage any particular scheme as against another on the evidence adduced. I urge, however, that a case has been fully made out for a complete and impartial enquiry at an early date into the whole subject of the care and treatment of women during pregnancy and maternity.

25. That advice and treatment at these times is vital from the point of view of public health, is admitted. The matter must not be dealt with by patchwork methods and with insufficient knowledge and consideration. It must, furthermore, be borne in mind, that a distribution of public money which discriminates in favour of the wage earning woman as against her uninsured sister, whose need is often as great, will result in a State premium on the industrial employment of married women.

26. It is needless here to detail the grave objections which could be urged against such a policy.

27. One must remember that the insured women are not a separate class. Many women are insured only for a part of their lives, and married women in particular leave or take up their occupation according to changes in the family fortunes. The state of health of women working for wages points to the possibility of a similar unsatisfactory state of health of mothers at home, and is one of the strongest arguments for a broader and more comprehensive enquiry.

28. I urge then, that the whole question of care, treatment and provision before, during and after confinement, should be the subject of an immediate enquiry by a Royal Commission on Maternity, which should be appointed with comprehensive terms of reference, including the Cause and Extent of Miscarriages, Still-births, Diseases of Women and Infantile Mortality and report with the least possible delay.

Medical Treatment.

29. The important bearing which the inadequacy of medical treatment and institutional facilities has on the question of sickness, both among men and women, but especially among women, has been already referred to.

30. Everyone has been impressed by the extent to which sickness claims are prolonged by lack of proper dental treatment and of provisions of dentures. This applies in a lesser degree, but with equal importance, to the treatment of eyes.

31. I have concurred in the proposal to appoint a medical Committee on the understanding that it should be appointed immediately with the widest possible terms of reference, including provision of appliances, hospital accommodation, and the administration of nursing. It is most important that pending the report of this Committee nothing should be done to prejudge its findings.

32. It is to be hoped that the Committee will take into consideration the institution of an improved medical service, the need for which is beyond exaggeration, and the following views are put forward for consideration :—

33. The report foreshadows a supplementary service of State doctors which every reader of the evidence must feel to be inevitable.

34. I suggest that these doctors should be :—

(*a*) Appointed and paid by the Commissioners.
(*b*) Available as consultants in all cases in which either a second opinion as to diagnosis or treatment is desired, or in which additional treatment is required beyond the sphere of the general practitioner.
(*c*) Accessible under proper safeguards at the option either of the panel doctor, the approved societies, or the patient.
(*d*) Provided with premises and equipment.

35. The service should include specialists, both surgical and medical, for cases specially reported to require either opinion or treatment by such specialists.

36. It is also desirable that hospital provision within each locality should be made adequate to the local needs as quickly as possible, either by the local authorities being required, and financially enabled, to put in force their existing powers of establishing and maintaining hospitals of all kinds under the Public Health Acts or otherwise. These hospitals should include adequate provision for women's diseases and maternity, for cancer, and for venereal diseases.

Some provision should be made for travelling expenses to enable patients to get access to :—

(*a*) The Medical Referees and Consultants ;
(*b*) The hospitals to which they are recommended.

Suitable arrangements should be made so that the services of the whole county panel should be made available for any case in which the treatment required is beyond the competence of the particular practitioner, so as to enable the local panel resources to be fully utilised before calling in the Commissioners' expert consultant.

Misconduct.

37. There is much evidence as to the effect of the provision in the rules of most societies that benefit should be withheld when disease or disablement is due to misconduct.

38. The attempts made by some officials to carry out these rules entail very difficult administrative work and often considerable hardship to many insured persons, who are entirely innocent of anything that could possibly be regarded as misconduct.[3] At the same time, it seems clear that owing to certification of symptoms rather than causes, sickness benefit is paid in many cases, where according to the rules of the society, it might be withheld on this ground.

39. The extreme difficulty of dealing with the matter is illustrated in the report, where these cases are discussed. The conclusion is that the doctor (in conjunction with the medical referee) shall be the judge of whether the patient is entitled to benefit. The medical man is to give an explicit certificate when he believes the patient guilty, and a "vague certificate" when he believes him innocent.

40. There is no reason to labour the inconsistency of this suggestion with the dictum of other parts of the Report, that the duty of giving or withholding benefit is laid by Parliament on the approved society, and the doctor's certificate is to be considered as evidence and not as a final decision.

41. While the present arrangement, and even the proposed scheme, must cause great trouble to societies, medical practitioners, and innocent insured persons, little or no advantage results therefrom, in the prevention of misconduct, or of the diseases arising from it.

42. In the interest of public health and apart from the necessity for smoother administration of sickness benefits, it would seem desirable that such changes should be made in the Insurance Act as would render it impossible for approved societies to withhold sickness benefit on the ground that disease or disablement had been caused by the misconduct of the person claiming benefit.

43. Indeed, I am assured by doctors that there is a danger that where incapacity is caused by such a disease, and benefit withheld, the continuance of the insured person at work will lessen the opportunities of efficient treatment, and will increase the prospects of permanent invalidity and the recurrence of the disease at a later period.

44. If such an alteration should entail an additional burden, although this is open to doubt in view of the admittedly misleading certification of these diseases, financial provision must of course be made to meet it.

45. Further (with a possible exception in the case of congenital syphilis), it is absolutely essential in the interests of public health that sufferers from venereal diseases should be informed of their condition. It is impossible to condemn too strongly the refusal of medical men to give this information to married women, and the evidence shows that this is far more generally the case than is at all understood by the public.[4]

46. From the point of view of public health, nothing could be worse than to leave such patients in ignorance, and to allow the unconscious mother to risk the birth of syphilitic children.

47. It seems desirable that a full report on all cases of venereal disease should be made by the panel doctor to the State Consultant, and at the earliest possible moment provision should be made for adequate treatment, both hospital and dispensary, without charge, stigma, or publicity.

48. The evidence on the subject should be forwarded to the present Royal Commission on Venereal Disease.

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[3] The Secretary of the Wholesale Co-operative Society habitually inquires as to possible misconduct in cases of hernia and varicose veins (12,282), varicocele (12,288), adenitis (12,303), neuritis (12,324), eczema (12,330), endometritis (12,355) and (12,476–8) instances in addition a long list of diseases of pregnancy which in his mind needed inquiry as possibly due to misconduct.

[4] Dr. Bennett says (16,579): "It is not the custom amongst medical men to inform the wife." Dr. Olive Claydon submits evidence from 48 doctors of whom 26 (22,924) state that, they have reluctance to inform a married woman that she has syphilis," one man adding that he believes over 80 per cent. of the cases are innocent. On this, some cross-examination took place (22,925). "Q. What you are saying " is that out of every 100 women suffering from this, 80 suffer because of their husbands' misconduct, and " because they do, they are not going to be told anything about it. I cannot believe that that opinion is " held by the profession seriously?—It is seriously held." Dr. Stanley Hodgson says (26,123): "Under no circumstance would I be the cause of a rift between husband and wife." Even more important is the memorandum handed in by the British Medical Association, where it is stated that the doctor's certificate in the case of a presumably innocent married woman "will generally not give any hint" of the cause of the disease.

Administration and Finance.

49. Viewing the complete picture of the working of the Insurance Act which the evidence has provided, the conclusion is irresistible that its fundamental mistake is its method of administration by a number of independent approved societies.

50. In theory this plan of administration was excellent. It was hoped by this method to secure democratic self-government by insured persons of insured persons. The funds were to be protected by identity of interest and the extension of the old friendly society spirit into State Insurance. To secure these advantages a contributory scheme was reluctantly accepted by a majority of the working class representatives. For these advantages economy, simplicity, uniformity of management, and the pooling of risks over the whole community were sacrificed.

51. How far have the ideals of self-government and democracy been fulfilled? Section 23 (2) ii. of the Act states that the constitution of an Approved Society must provide to the satisfaction of the Insurance Commissioners for its affairs being subject to the absolute control of its members.

52. The intention of Parliament was therefore democratic government and absolute control by members of their own affairs. Parliament laid upon the Commissioners the duty of seeing that this was achieved.

53. It is clear that the intention of Parliament and the intention of the promoters of the Act have in this respect been disappointed.

54. The affairs of most insured persons are as little under their absolute control as are the affairs of those receiving out-relief from the Guardians; indeed those receiving relief have often far greater powers to influence the election of Guardians than have the members of Approved Societies to influence the policy of that society.

55. In the first place, rules have been approved which in no reasonable sense can be said to give any effective control to the members concerned. In the Prudential Societies, if a member desires an alteration in the rules, he must obtain a thousand signatures before he can bring the subject before a meeting, unless the Committee of Management consider the subject suitable for an annual meeting (*Barrand*, Q. 5068).

The present Committee of Management was appointed by the management of the Prudential Life Assurance Company (*Barrand*, Q. 5355–6). The completeness of the control of the Life Assurance Company over the State insured members leaves therefore little to be desired.

56. These large Industrial Societies and Societies with similar constitutions include over a third of the insured persons and more than half of the women.

57. Secondly, the old Friendly Societies themselves have changed their character under the pressure of circumstances. There is much evidence to show that the machinery of little local courts, clubs and lodges cannot bear the strain put upon it, and that even those societies who have the strongest traditions in these matters are being forced into a centralised system. The witnesses generally are of the opinion that the old friendly society spirit is dead. The Grand Master of the Manchester Unity (*Q.* 31,650) said that the "state members are taking practically no interest whatever in the affairs of the Society." The High Chief Ranger of the Foresters spoke of the Friendly Society spirit being dead, and the same testimony is given by substantially all the witnesses who have given evidence on this point before the Committee. It is also interesting to note that the Societies who formerly conducted their business by local branches and courts are being more and more forced to adopt centralised systems of government, not differing very much from that of the new industrial companies or from any possible State system.[5]

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[5] The representatives of the Bedford Federation of Friendly Societies explained that his local Secretaries were formerly and are now, "the village blacksmith, or carpenter, or something of that description" (22,346), "all very excellent men . . . but really not up to administering a great concern? —No, far from it" (22,352).

In exactly the same way, the Durham miners were officered by working colliers giving their spare time to the work (35,201). Before the Act, the supervision was entirely local (35,157–8), and the central control was merely "book-keeping and financial" (35,186). This is now changed. Under the pressure of the Act, everything is now sent to the Head Office (35,187), and is checked and examined there. The Grand Master of the Manchester Unity (31,613) said that undoubtedly the work would be better done if the administration were centralized in districts. The High Chief Ranger of the Ancient Order of Foresters went so far as to deprecate any administration of the Act by voluntary societies (19,655). "*Q.* I gather that in your view, "it might be beneficial to the friendly societies if the Government established some state management of "the Act to run the State Insurance side by side with the Friendly Societies . . . . ?"—*A.* "Provided "they limit the sickness benefits in their future operations to what they are now." The Grand Master of

58. With increasing centralisation the power of the individual against the society dwindles and almost vanishes. In the evidence, examples have been given of the arbitrary conduct of certain societies. Benefits have been arbitrarily refused, or illegally reduced,[6] and perfectly respectable young girls and women submitted causelessly to wounding and indecent inquisitions, without any effective resistance on the part of the members.

59. The history of pregnancy sickness is, however, the most striking example of the helplessness of the individual. There was originally a widespread belief among the women that they were entitled to benefit when unable to work through pregnancy. Yet, though their need was urgent, their ignorance and helplessness was such that no woman appears to have appealed from a society, although there is much evidence as to the rejection of such claims.[7]

The State, having demanded compulsory contributions, is under a moral obligation to see that those who pay obtain the benefits promised.

60. It is, of course, not practicable to attempt at this juncture a complete reconstruction of the Insurance Scheme, but it is imperative that the individual should be placed in effective possession of the rights which Parliament intended him to have.

61. With a view to advancing in the direction of uniformity of administration, steps should be taken to impose on all Approved Societies identical rules with regard

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the Manchester Unity further said (31,940), "I attach no importance whatever to the question of self-"government in the matter of insurance. In the first place . . . because the insured people in this "country are not self-governed . . . they are governed by officials and controlled by officials, and they have "no interest whatever in the society they belong to. . . . There is no difference whatever between an "extension of the Prudential system or the National Amalgamated system and one administered by the "Commissioners through its own officials." (31,943) "Run from Whitehall?—Yes. . . . My idea is, "that compulsory insurance and the control actually exercised by the Commissioners over the approved "societies is entirely killing the voluntary side of the work, and presently there will be no voluntary side" (31,944). "The hope of increasing the voluntary thrift movement lies in a very strict administration of "compulsory national insurance by state officials." Mr. Wright explained that he was only giving his own personal views, without communicating with his society. Miss Crisp, Norwich, says that the members on the State side do not go to meetings when specially summoned (39,174). The Secretary of the North London District of the Manchester Unity (41,587) gives particulars of three new lodges formed entirely for State Insurance, Mabys (2,747 members), Kingsway (2,677 members), Holborn (1,323 members). When Holborn Lodge was summoned to a general meeting, two turned up; when Kingsway was summoned not above 10 turned up; and when Mabys was summoned three or four came (41,590). The witness agreed that it would be fair to say that the National Insurance for these lodges was conducted as a thing quite apart from friendly society life (41,591). The Secretary of the Amalgamated Co-operative Employees similarly said (36,239), "I feel that it would be better if the State in some way or other took over the administration of the Act entirely." He had not consulted his Executive but had submitted such a proposal in his outline of evidence to every member of his Executive and they had not objected (36,275).

[6] The Royal Liver (10,196–10,203), if malingering is suspected in low wage earners, pay benefit amounting to two thirds of the wages and notify the recipient that the rest will be paid on declaring off.

[7] Liverpool Victoria refuse "in the first instance" in every case (2139). Royal Liver (9919) "do not admit simple pregnancy, but when there is a disease accompanying it we admit it." Card Blowing and Ring Operatives (539) refuse. Co-operative Wholesale (12,403) "never pay on certificates for pregnancy unless there is something else." Manchester Unity leaves the question to the lodges. Some do pay (31,877), but (31,904) "the great volume of opinion is against it." The Manchester and Salford lodge of the Manchester Unity (41,536–41) never pay if the certificate bears the word pregnancy no matter how many other causes of illnesses there may be. The Order of the Sons of Temperance paid originally (24,837) but do not pay now (24,834–5–6). The Prudential originally paid all such claims, but "I came to the conclusion it was not possible for the society to go on on that basis. We had claims "starting in the second, third, and fourth months of pregnancy . . . . and I came to the conclusion "that the situation was serious." (*Barrand*, 5270) He has now arranged that these claims shall be specially dealt with. "In no case" are they paid locally but are referred to the head office, and payment is not made without a special medical examination (5133). National Federation of Women Workers do not pay on certificates for pregnancy only (11,410) except under special circumstances (11,414–5–8). The Bradford Trades Council formerly paid, "but since last August, after the conference with the Commissioners, we have refused to pay benefits on pregnancy only" (28,712). Dr. Rogers (medical adviser to the Bristol Insurance Committee) believes that "it is the law" that benefit should not be paid for uncomplicated pregnancy (15,777). Dr. Bond, speaking for the Leicester panel (18,515), says that "in the early beginnings" there was "a tendency . . . . to put patients on benefit for pregnancy apart from bodily disease" . . . . but this has now sunk to a negligible quantity. In cross-examination (18,649), he explained that the idea in originally giving such certificates of incapacity was that it was inadvisable that these women should work. Dr. Olive Claydon, (22,969), representing the Association of Registered Medical Women, says that, "most of the medical women" on her list do not certify for uncomplicated cases of pregnancy and the "large majority of medical men" (on the same list) "say the same." The clerk of the Bradford Insurance Committee says (36,995), "the practitioners and the approved societies know that they cannot certify for sickness benefit unless there is some disease arising out of, or entirely apart from, pregnancy." Dr. Harrison (38,222) refuses certificates for pregnancy only. He gives the case of a woman eight months pregnant to whom he had refused a certificate. She was not sick though "incapable of work owing to her condition" (38,224).

to (*a*) Punishment or Expulsion of Members ; (*b*) Misconduct affecting Eligibility for Benefit; (*c*) Behaviour whilst on Benefit; (*d*) Conditions of appeal, so as to secure to every member the full rights conceded to him by the Insurance Act, and a simple, easy, and gratuitous appeal against injustice. If this were done, evils resulting from capricious and arbitrary administrations might be lessened.

62. These reforms would, however, leave one of the most serious anomalies of the Insurance Act untouched. That anomaly is the present arrangement for the valuation of the societies and declarations of surpluses and deficits. It is unfair that a compulsorily insured person who is in no way responsible for the deficit which his society may show on valuation should, by some accident of choice in joining a society *approved by the Government*, be subjected to a reduction of benefit.

I agree with the finding of the Report that deficits resulting from segregation should be met, but the exception which is made in the case of mal-administration is hardly defensible. Where it is held that any particular excess in any society is due to mal-administration, approval should be withdrawn from the society, but the member should not be liable to suffer a reduction of benefit which has resulted from mistakes of management over which he has little, if any, real control.

63. If this recommendation is deemed too drastic, and if it is decided that in such cases reduced benefits must be declared, such members as desired should be allowed to transfer to the State Society hereinafter referred to with an appropriate reserve to cover their deficit.

64. The theory of the scheme was that the fear of a deficit would be an automatic security for good management. In practice this fear has, on the contrary, driven societies faced with a heavy drain on their funds, into desperate and sometimes illegal expedients.[8]

65. It is clear that other conditions and other precautions must prevail if deficits are to be met, as it is contended they must in fact be met. If, therefore, justice is to be done either to the one society as against the other, or to the individual as against the society, the State must assume a much closer control over the societies and a much more direct responsibility for their good management. The degree of independence of the societies from the State which remains, must break down in the same way as democratic government from within has broken down. Nothing valuable is in effect left of the system on which the Act was based. The friendly society spirit, the spontaneous oversight of the members by each other, the responsibility of each member for his society, and his pride in his society—the independence of the society from outside interference--the whole conception, in fact, of a little group managing its own affairs has vanished. These advantages were the only advantages for which simplicity and cheapness of administration were sacrificed. To secure these advantages, and to secure these only, the Act is now administered through many thousands of societies and branches with scattered members, instead of by a manageable number of local committees.

66. The case for private management has failed. It may have been right to make such an attempt. The administration of Compulsory State Insurance is a burden, and not a help, to friendly societies and to trade unions. The energies of these democratic institutions are strained to the breaking point, and the time of many of their ablest officials is spent on matters foreign to their true aims. They cannot and ought not to yield their members to bodies under the practical control of profit-making companies. To give each their responsibility into the hands of the State—probably working through popularly elected bodies—would be a different and a better alternative, but, as has been already hinted it is difficult to impose such an alteration

[8] One society found their claims for men below what was expected, and their claims for women much in excess. After August 1913 the Secretary stated he had struck off all cases of debility and anæmia (*Thomas*, 4391). "We are bound to take some class of case and strike them off. It may be cruel, but we have to do it" (4392). "The doctor certifies that he is incapable of work, which may be true "in the opinion of the doctor, but when we come to examine it, we find that according to our allowance, "we cannot afford to pay for this class of case and we say we shall not pay it; you may be capable or "incapable of work" (4528). The Co-operative Wholesale Society (13,220) suspend benefit of a woman who is found "washing or dressing her child." The Order of Druids Friendly Society would stop benefit if members were known to be doing housework (*Shaw*, 6863). Another society suspended from benefit 400 women out of a membership of 24,508 for doing housework (*Sanderson*, 17).

upon any society, and the following suggestion, which incidentally meets the case of the deposit contributor is made:—

67. A National Society should be organised by the Commissioners with—

(*a*) Branches coincident with existing areas of the local insurance authorities;

(*b*) Rules framed by the Commissioners;

(*c*) Benefits administered by the Insurance Committees under the control of the Commissioners.

The members of such societies should be—

(*a*) Any insured person who is not a member of an approved society;

(*b*) Any insured person hereafter dropping out of an approved society for any reason whatever and not within one month being accepted by another;

(*c*) Any person desiring to transfer to such Society;

(*d*) Members of societies from which approval has been withdrawn.

Any society should be allowed to transfer its engagements to the aforesaid National Society.

Social Value of the Insurance Act.

68. In conclusion, there can be no two opinions as to the great social value of the Act, in revealing the condition of the mass of working women, and the effect which their low wages have upon their health—questions which up to now have been almost totally neglected. As has been shown, even doctors in poor practices have been amazed at the amount of unexpected and unrelieved suffering that has been brought to light. The Act has shown the country what poverty really means. It has shown that people who are underfed, badly housed, and overworked are seldom in a state of physical efficiency; and has expressed in terms of pounds, shillings and pence the truth, that where an industry pays starvation wages, it does, in literal sober fact, levy a tax upon a community.

MARY R. MACARTHUR.

MEMORANDUM B.

BY

MISS IVENS.

I concur in the clauses of Miss Macarthur's Memorandum referring to maternity and pregnancy, namely 18 to 28 inclusive.

M. H. FRANCES IVENS.

MEMORANDUM C.

BY

MR. W. MOSSES.

Among the chief causes of excessive sickness claims are:—

(1) Declarations on benefit for minor ailments and ailments which are insufficient to incapacitate;

(2) Continuation on benefit without justifiable cause.

The great majority of trade union and many friendly and collecting societies rely wholly on the medical certificates supplied by panel doctors, who in very many cases treat the relatives of the insured person as private patients and whose interests therefore lie in the direction of standing well with their panel patients; in such cases it is somewhat difficult for a doctor either to refuse a declaring-on certificate or to decline to give continuing certificates, even when he is satisfied that the patient is fit to resume work. It appears, therefore, that the only way by which the absolute

independence of the doctors can be secured is by the establishment of a whole-time State medical service. The difficulty of maintaining such a service in sparsely populated rural districts might prove a serious obstacle to the general institution of such a scheme, but in populous industrial areas this objection would not apply, and the experiment might well be tried in such selected districts as show an abnormally high incidence of sickness, and where, apart from the question of safeguarding the interests of the Approved Societies, the doctor could give greater attention to sick insured persons than is possible in a mixed practice.

WM. MOSSES.

MEMORANDUM D.

BY

MR. W. P. WRIGHT.

Whilst fully concurring in the Report of the Committee and the findings and recommendations based thereon, I desire to add :—

1. It is highly desirable that women's sickness, pregnancy, and maternity benefits should be administered solely by women officials. Under no circumstances should an insured woman be required to hand her medical certificate of incapacity to a male official, nor should any benefit be paid at an insured woman's home except by a woman visitor. Quite apart from the diseases referred to in paragraph 143 of the Report, it is conceivable that in respect of many other diseases there may be a natural objection on the doctor's part in issuing, and on the insured woman's part in receiving, a certificate which is to be subject to the scrutiny of a male official of an approved society.

2. If pregnancy benefit is fully to accomplish its object, it is necessary not only that the insured woman should be periodically seen by a doctor, but that she should also be subject to a certain amount of surveillance by an experienced visitor during the time she is in receipt of the benefit. Whilst expressing no definite opinion as to the authority upon whom the responsibility of administering this benefit should devolve, I am constrained to say that such evidence as we have received forces one to the conclusion that the approved societies are not at present sufficiently well organised and officered for this purpose.

3. The competition which exists between the various classes of approved societies is responsible for many improper payments of sickness benefit. This competition has diverse effects. Some societies, apparently, make it a practice to deal overgenerously in cases of breach of rule and in other respects with their members, in order to ensure present popularity. Others administer so strictly as to sometimes create hardships and injustice with a view to ultimate popularity resultant upon a valuation surplus. Equal treatment for all insured persons could only be brought about by the abrogation of the approved society system. This is impracticable at the moment, although experience will probably make its necessity more apparent. In the meantime, however, efforts should be made to ensure the adoption by all approved societies of model rules regulating the conduct of insured persons whilst in receipt of benefit, defining the duties and obligations of sickness visitors, and stipulating the penalties for breaches of rules, and the steps to be taken for the enforcement thereof.

4. I dissent from the suggestion that any part of the cost of a system of medical referees should be drawn from the funds of approved societies, and I have agreed to the proposal that a nominal fee should be paid by approved societies solely with a view to preventing unreasonable or vexatious reference of cases. I fear that the imposition of the nominal fee suggested may deter small societies, and small branches of affiliated societies, from making reasonable and proper use of the referees, and I suggest that the Commissioners should confer with such societies, with the object of devising means for the avoidance of this difficulty.

WALTER P. WRIGHT.
